DOMINION OF CANADA

DEPARTMENT OF AGRICULTURE

THE BRITISH MARKET

and

THE CANADIAN FARMER

A Report

Published by direction of the Hon. James G. Gardiner, Minister of Agriculture,
Ottawa, Canada, 1937

DOMINION OF CANADA

DEPARTMENT OF AGRICULTURE

THE BRITISH MARKET

and

THE CANADIAN FARMER

A Report

Published by direction of the Hon. James G. Gardiner, Minister of Agriculture,
Ottawa, Canada, 1937

August 15, 1937.

Hon. JAMES G. GARDINER,
Minister of Agriculture,
Ottawa.

DEAR SIR,—I herewith transmit to you a report on the United Kingdom market for Canadian agricultural products, based on personal investigations made by a group whose names are given in the Introduction.

The findings and recommendations contained in this report are agreed to, in principle, by all the members of the party.

Yours faithfully,

A. M. SHAW,
Director of Marketing Service.

TABLE OF CONTENTS

THE BRITISH MARKET AND THE CANADIAN FARMER

INTRODUCTION

The present investigation arose directly out of the establishment of the Marketing Division of the Dominion Department of Agriculture. Numerous inquiries into the United Kingdom market have been made in recent years, but it was thought advisable, as soon as the Marketing Service began to work, that a body of men experienced in individual lines should proceed to Great Britain to make personal investigations on the spot. The party consisted of Messrs. A. M. Shaw, J. F. Singleton, L. Pearsall, R. M. Scott, all from the Department of Agriculture, and Messrs. R. A. Wright, President of the Western Canada Livestock Union, and J. F. Lindner of Glen Williams, Ontario, who has had wide experience in the fruit and vegetable industries in Canada. To render special advice on merchandising problems Messrs. C. L. Smart and H. King accompanied the party.

The party sailed from Montreal on June 18, 1937, and arrived in London during the week-end of June 26. The Hon. Vincent Massey, the Canadian High Commissioner in London, officially welcomed the party, and promised the whole-hearted co-operation of every one in Canada House. He also very kindly made office space available in Canada House.

Mr. W. A. Wilson, the Canadian Animal Products Trade Commissioner, Department of Trade and Commerce in London, was seconded to the Department of Agriculture for the purposes of this investigation, and had made many appointments for members of the party in advance. Consequently the work proceeded immediately, beginning on Monday, June 28.

Each member was responsible for the inquiries in his own particular branch of agriculture, and was in many instances accompanied by officials of the Department of Trade and Commerce in London. Invaluable assistance in obtaining interviews was given by Mr. Frederic Hudd, Chief Trade Commissioner, and the Trade Commissioners in London and in other cities in the British Isles.

The investigation was very broad, and included interviews with importers, agents, brokers, manufacturers or blenders using Canadian agricultural products, wholesalers, owners of and buyers for provision stores of all sizes and kinds, and retailers. The centres covered included London, Birmingham, Leicester, Hull, Norwich, Plymouth, Bristol, Cardiff, Liverpool, Manchester, Chester, Newcastle, Edinburgh, Glasgow, Perth, Aberdeen, Belfast and Dublin.

Farmers owning herds of Canadian-bred dairy cows, feeders of Canadian store cattle and owners of Canadian-bred horses were visited in Somersetshire, Derbyshire, Staffordshire, Cheshire, Ayrshire, Perthshire, Fifeshire and Aberdeenshire. Numerous visits were made to Smithfield Market in London, and to sales of Canadian live stock at Birkenhead, Norwich, Glasgow, Castle Douglas, Aberdeen and Perth. Much valuable information and assistance were obtained from officials of the Smithfield Market. Russian live stock purchasing agents were also interviewed in London.

Visits were made to fruit auctions at London and Liverpool, jam manufacturing plants, canning factories and cheese factories; and the Long Ashton Research Institute in the United Kingdom; and to bacon producers and packing plants in Denmark and Holland.

47275—2

Conversations were held with officials of the British Ministry of Agriculture and Fisheries, of the Milk Marketing Board, and of the National Farmers Union. Information was also obtained from officers at Australia House, New Zealand House and South Africa House, and from the Australian Control Board.

The investigation work was completed by July 29, on which date the members of the party reassembled in London to discuss the recommendations that should be made. The majority of the party sailed again for Canada on August 7, 1937.

SUMMARY AND RECOMMENDATIONS

PART I—SUMMARY

Foreword

This summary of the present merchandising position of Canadian agricultural products is based on an investigation of the trade channels (agents, wholesalers and retailers) through which they flow. Inquiries were made in all the centres listed in the Introduction, and particular attention was paid to the following:

1. Regularity of supply and distribution of each line of Canadian products.
2. The character and aggressiveness of selling agencies and wholesale distributors.
3. Distribution as between the principal areas of population and between upper and lower class districts.
4. Retail selling conditions, including the recognition of, and standing accorded to, Canadian products generally.
5. Eating and cooking habits of consumers.
6. Sales trends of various products.
7. Effects of advertising and promotional work done by Canada, other Dominions, foreign nations, and large corporations.

(1) General Findings

Our general findings are as follows:—

We are not convinced that present methods of merchandising Canadian agricultural products in the United Kingdom are entirely satisfactory. Our main reason for coming to this conclusion is that, after a rather exhaustive survey, including personal inspection of Canadian products in representative markets and stores throughout Great Britain, we find that the ultimate purchaser (consumer) is not sufficiently aware of the quality or availability of Canadian agricultural products. Practically no stores feature them although the same stores frequently, in fact usually, feature the agricultural products of other Dominions and countries.

(2) Distribution Best in London

Although there is some variation with regard to specific products, Canadian goods are most widely distributed and best known in the London area. Several factors are responsible. More Canadian agricultural products are unloaded at the London docks than at any other port in the United Kingdom. Canadian cheddar cheese, which over a long period of time has been our leading provision store product with regard to both regularity of supply and unvarying standard of quality; is ranked by the London trade as the best imported cheese. Canadian bacon has made great forward steps in recent years, and in London is placed but little behind domestic, Irish and Danish bacon. The Tooley street trade has great influence, and our representatives and agents there have done

much for Canada. Canadian tomatoes and tomato juice, and other canned or bottled products, have considerable but uneven distribution in all areas. London ranks as high as other cities in this regard.

(3) Possibilities in Stores of All Classes

Shops in middle and lower class districts stock the largest variety of Canadian products, but some are to be found in almost every grocery and provision shop in the United Kingdom and Northern Ireland. It is surprising to find a good range of top quality goods in shops in the poorer districts; good merchandise sells freely in these districts, and this naturally widens the market for the better class goods upon which we must concentrate our efforts.

(4) Changes in British Eating Habits

It is quite evident that the eating and cooking habits of the British people have changed materially during the past decade or two, and that there will be further changes in the future. Light foods are replacing the heavy, stodgy foods of the past; advertising of large corporations, propaganda of Government bodies, and a gradual but not yet complete strengthening of medical opinion on the benefit of modern diet are all playing a part in bringing about this change. There is a marked increase in the sale of fresh and canned fruits; Canadian (or Canadian-type) cereal breakfast foods are reported everywhere by grocers as "best selling" lines, and sales of canned soups (or canned tomatoes or puree for making soup) are definitely on the increase. At all points we are told that the British housewife is going in more and more for prepared foods. Lack of modern cooking facilities with an increasing tendency to outdoor life, has resulted in a change in the standard of domestic cooking, and this tendency, we believe, can be turned to Canada's benefit.

Package merchandise is continually supplanting bulk goods; in fact, bulk goods have virtually disappeared from British grocery and provision shelves. In Britain the majority of canned or bottled goods are eaten as they come from the container. We are told that few housewives do anything to canned goods to add to their attractiveness; heating, when desirable, is the general limit of preparation. There is, therefore, a great opportunity to develop new uses by the distribution of recipes and other educational work. The old prejudice against canned goods is no longer a factor.

(5) Little Apparent Benefit from Past Advertising

Canada has not benefited to any noticeable degree from advertising done in the past, whereas New Zealand, Australia and South Africa have achieved definitely favourable results. New Zealand is the best known supplier of foodstuffs among the Dominions; Australia comes next, followed by South Africa and Canada.

Canada's advertising and promotional policies have lacked the three principal essentials: a definite long-term plan which can be carried out regardless of temporary shortages of supply; regard for the enforcement of grading regulations in certain lines; and qualified merchandising officials thoroughly familiar with Canadian agricultural commodities, and their production, to co-ordinate or promote the efforts of our producers to keep abreast of market changes.

There is, of course, no suggestion of ill-will towards Canadian products. We must, however, recognize that we are not generally accorded preferential treatment from either merchants or consumers. Domestic products obtain first preference in grocery, provision, and meat shops to the extent that customers will pay a premium for domestic goods even when, as is often the case, they are inferior in quality to Dominion or foreign produce. This premium, which is shared by all distributors right back to the primary producer, is caused partly by sentimental preference and partly by domestic production deficiency.

(6) Little Knowledge of Canadian Products

Canadian goods seldom stand out, and they are not easily recognized. It was a common experience when the question was put, " What Canadian goods do you sell?" to have one of two replies: " I sell a lot of your stuff," and, " I am sorry, but I have practically nothing Canadian here at present." Either answer was followed by a vague search for Canadian goods, and it was usually quite apparent that dealers are not familiar with any other than the most outstanding Canadian products.

It is evident that the British retailers are not by any means as familiar with Canadian agricultural products as they are with many of the products of our competitors. The reason is, apparently, that Canada has done little to sufficiently impress the retailers or consumers in regard to the quality and availability of her agricultural commodities, whereas the other Dominions and some other competing countries have done so and their products have been kept prominently before retailers and consumers. Consequently, the consumer, who buys the goods over the counter, cannot be expected to be able to identify, or to ask for, Canadian products as such.

Our investigations indicate conclusively that the consumer does not ask for Canadian products but frequently does ask for a similar article produced in another Dominion.

PART II—RECOMMENDATIONS

With the foregoing picture before us, we have given careful consideration to the policy we should recommend Canada to adopt. We make the following main recommendations:

A. That the first step is to see that Canada sets her own house in order by ensuring, as far as possible, that no merchandise unsuitable to this market be exported, and that what is exported be improved in quality, packaging and labelling.

B. That the second step is to work upon importers, brokers and the trade in the United Kingdom, impressing them with the quality of Canadian products, improving distribution and seeing that Canadian products are identified as such to the fullest possible extent.

C. That the third step is to undertake a publicity campaign directed to the British housewife.

We shall now develop these main recommendations in greater detail.

A. The Task in Canada

A number of products are already in such a condition that the full story can be told about them—i.e. cheese, bacon and breakfast foods. A good deal of work is required with others, in particular canned goods and poultry.

(1) We recommend that definite steps be taken to see that the fullest information about the character of the United Kingdom market be given to the producer. All possible means should be employed to this end—e.g. through provincial Departments of Agriculture, at conventions, by special meetings, by carefully prepared articles in the agricultural press, by the issue of special booklets, and by any other useful method. The aim of all this should be to show the producer the severity and type of the competition he must meet, the particular requirements of the market, the necessity for meeting these requirements, the need for paying particular attention to such matters as labelling, and, in short, the necessity for doing his part in proving to the housewife and to the trade in the United Kingdom that the words "Canadian Product" always mean a reliable, quality product.

We also feel that at every step the producer should be kept fully informed of what is being done to increase the demand for his product on the British market.

(2) We have had ample evidence that the grading of certain Canadian products has continued to improve. The matter is of such importance, however, that we feel it vital to stress the necessity of further careful attention to grading, particularly in regard to fostering as far as possible, a standard common to all graders in every part of the Dominion.

(3) The only proper basis on which the two main recommendations, B and C, outlined above, can be carried out is by emphasizing the consistently high quality of Canadian products. Publicity for an inferior article is not only worth nothing, but is definitely harmful to all good products. We have considered very carefully whether it is advisable to prohibit entirely the export to the United Kingdom of all low-grade products. Such a prohibition, we feel, would entail a severe hardship upon individual producers, as there is a low-price market in Great Britain which may be invaluable to the producer who, for instance, has a large amount of low quality products owing to unfavourable climatic conditions. It is essential, however, that such a product, like that of the unscrupulous or careless producer, should be prevented from taking advantage of the publicity campaign that we advocate.

We therefore recommend that serious consideration be given to the following proposals:—

(*a*) That Canada adopt a National Mark for her high-grade products shipped to the United Kingdom.

(*b*) That the use of this mark be made compulsory on specified products, provided they attain the requisite standard; that this mark be made the focal point of any publicity and advertising campaign; by this means the mark would assume a definite and valuable significance.

(*c*) That the right to use this mark where it is not compulsory, be accorded only to producers under licence, provided that their products attain to the required standard to be laid down by the Dominion Department of Agriculture.

(*d*) That, with proper safeguards, the right to use the mark be extended to United Kingdom importers or blenders who import Canadian products in bulk and package or blend them themselves.

(*e*) That this mark be either an emblem or label, so designed, either by shape, colour or wording, or a combination of these, that it can be readily identified by the British housewife.

(*f*) That for the export of sub-standard products the word "Empire" be substituted for the word "Canada," or that regulations be made limiting the size of type that may be used to show their Canadian origin.

B. and C. Trade and Consumer Publicity

Work with the trade and with consumers in the United Kingdom must be so nearly simultaneous that both can be considered together.

We recommend the adoption of the following policies:—

(1) In order to overcome the conditions described in Part I of this chapter, and to develop a keen demand for Canadian products, a publicity campaign for our agricultural products should be undertaken as soon as possible. Such a campaign should run continuously throughout the year, with special emphasis on seasonal products as they come on the market.

(2) Though we have stated that for some products publicity is premature, others are ready now; and, as we pointed out in the introduction there is no

time to lose. The full campaign should begin, we believe, not later than after the summer and holiday season next year—i.e. in September, 1938. For those products already well distributed (i.e. cheese and bacon) an earlier start should be made.

(3) The United Kingdom market is large, but the population is heavily concentrated in six main areas: (I) London, (II) Bristol-Cardiff, (III) Birmingham, (IV) Lancashire-West Yorks, (V) Newcastle, and (VI) Glasgow-Edinburgh. It is a well-known advertising principle that it is better to cover one good territory thoroughly than to spread the effort over several territories. The former policy ensures quicker and more lasting benefits; indeed, the policy of spreading effort almost invariably leads to failure. Owing to the large population (11,000,000 in London alone) advertising costs are fairly heavy, and we feel that only one territory can be covered thoroughly. We recommend, therefore, that the London area be used for this purpose. Our reasons are as follows:

(*a*) As already shown, there is now a better distribution of Canadian products generally in the London area than in any other.

(*b*) London is the "hub" of United Kingdom; the largest number of, and the most progressive, importers and agents carry on their business there, and because of this we believe that we shall obtain more co-operation from them than from those in any other area.

(*c*) Ideas first started in London flow naturally to the provinces. We shall begin in an area where the inflow of people and normal imitation of ideas will extend the influence of our work further afield.

(*d*) The London area is a relatively homogeneous unit. In the other areas of large population the cities are more distinct and do not merge so closely with the central point.

(4) We recommend that two cities of small size be used for test campaigns for canned vegetables alone. For these we suggest such cities as Bristol, Hull, or Plymouth. Our reasons for this campaign are fully explained in Chapter VIII. We feel, however, that we should express this warning—that definite results from such a test campaign should not be expected until the experiment has run for two full years, though it may be possible to gauge the probable success of the campaign before the end of the two-year period.

(5) Our campaign, to be most successful, must include the following features:—

(*a*) Intensive canvassing of the trade by personal contacts.

(*b*) A liberal supply of showcards and literature.

(*c*) Initial supplies of Canadian merchandise to grocers, with window-dressing assistance.

(*d*) Special displays and demonstrations, both in the stores and elsewhere (e.g. at meetings), and special price-tags and other identifying marks.

(*e*) Newspaper and other advertising.

(*f*) A certain amount of advertising in high-class magazines, which carry a definite appeal and will assist in spreading the influence of our work to other centres.

(*g*) In addition to the above, it is not only essential that personal contact be made with the trade in connection with processed and packaged goods, but it is even more important in connection with the proper merchandizing of our livestock, namely, beef, store, and dairy cattle, as well as light and heavy horses.

The fact that livestock is sold on individual merit and purchased for a specific purpose makes it imperative that the men engaged in guiding

and developing this phase of our export trade must be thoroughly conversant with all kinds of commercial livestock, and in addition, have outstanding ability as salesmen.

In view of the fact that the individual Canadian farmer is directly interested in the ultimate sale of his commodities, whether marketed fresh, as is the case with apples and some other fruits, or packaged, processed, or in the form of livestock in Great Britain, and that the latter products are purchased by individual farmers in Great Britain, it is evident that proper development of this trade cannot be attained unless suitable persons directly responsible to the Dominion Department of Agriculture be employed.

(6) We do not feel competent, as a committee, to state the exact sum that will be required to do the work we have outlined.

We do, however, recommend that serious consideration be given to the question of obtaining supplementary sums from interests who will obviously benefit by the campaign. We recommend above that the value of the emblem or National Mark be zealously guarded by granting the right to its use only under licence and on products reaching a specified minimum grade. We suggest that it may be made a condition under which the licence is granted (i.e. for products on which the use of the Mark is not compulsory), that the licensee devote a definite proportion of the gross value of his sales to the United Kingdom market—say, one quarter or one half of one per cent—as his contribution to the campaign.

We suggest also that the possibilities be explored of a contribution for specific purposes by provincial Governments.

CHAPTER I

THE UNITED KINGDOM MARKET FOR AGRICULTURAL PRODUCTS

Foreword

We believed it desirable to begin this report by a summary of the chief characteristics of the United Kingdom market as far as agricultural products are concerned. The main purpose of this is to indicate the size of the market, its chief peculiarities, and the severity of the competition that the producer or packer in Canada has to face.

Farms in the United Kingdom and Canada

The population of Great Britain and Northern Ireland at the last census (1931) was 44,500,000 persons, spread over an area of 95,000 square miles, or 468 persons per square mile. The population of Canada in the same year was 10,377,000 persons, spread over an area of 3,466,556 square miles, or 2·99 persons per square mile.

In 1934 there were 454,361 farms in England, Wales and Scotland, and there were 728,623 in Canada in 1931. Acreage figures show a very wide disparity; in 1931 occupied acreage in Canada amounted to 163,000,000 acres, whereas the figure for Great Britain was approximately 14,000,000 acres. More than half the farms in Britain are of less than 50 acres. In spite of this, however, the number of agricultural workers is almost the same,—i.e. 1,128,154 in Canada and 1,281,531 (male only) in Great Britain (1931). This is caused principally by the differences in the methods of farming—i.e. extensive in Canada, and intensive in England as far as cereals are concerned—and by the fact that farmers in the United Kingdom are principally interested in livestock and livestock products rather than in grains.

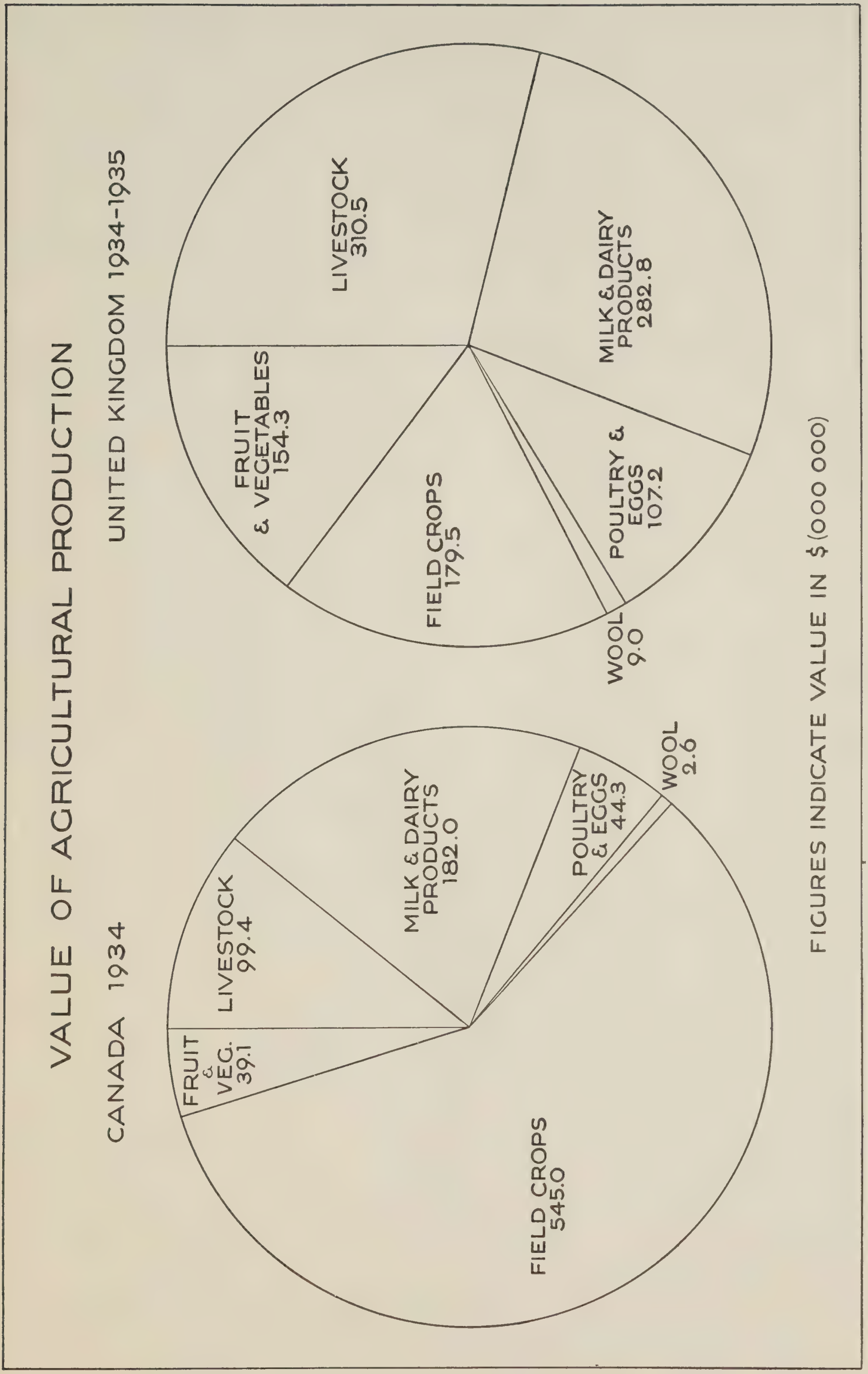
Contrast between Agricultural Production in Canada and the United Kingdom

As the following table shows, more than half the value of agricultural production in the United Kingdom is accounted for by livestock and dairy products, whereas in Canada these branches supply only 30 per cent.

VALUE OF AGRICULTURAL PRODUCTION

—	Canada (1934)		England and Wales (1934-35)	
	$	%	$ (a)	%
Live stock	99,438,000	10·9	310,450,000	29·7
Milk and dairy products	181,966,000	20·0	282,800,000	27·1
Poultry and eggs	44,267,000	4·8	107,200,000	10·3
Wool	2,645,000	0·3	8,950,000	0·9
Field crops	544,975,000	59·7	179,500,000	17·2
Fruit and vegetables, etc. (b)	39,145,000	4·3	154,350,000	14·8
	912,436,000	100·0	1,043,250,000	100·0

(a) Value of the pound sterling taken as $5.00 throughout this report.
(b) Other Canadian farm products (e.g. fur-farming) excluded in order to use only those comparable with the U.K. list.


VALUE OF AGRICULTURAL PRODUCTION
CANADA 1934
UNITED KINGDOM 1934-1935
FRUIT & VEG. 39.1
LIVESTOCK 99.4
MILK & DAIRY PRODUCTS 182.0
POULTRY & EGGS 44.3
WOOL 2.6
FIELD CROPS 545.0
FRUIT & VEGETABLES 154.3
LIVESTOCK 310.5
MILK & DAIRY PRODUCTS 282.8
POULTRY & EGGS 107.2
WOOL 9.0
FIELD CROPS 179.5
FIGURES INDICATE VALUE IN $(000 000)

Statistics of the numbers of livestock on farms emphasize the same point; except for horses there is more livestock in the United Kingdom than in Canada.

NUMBERS OF LIVE STOCK ON FARMS, 1935

—	Canada	United Kingdom and Irish Free State
Horses	2,931,337	1,498,510
Cattle	8,820,600	12,678,357
Sheep	3,399,100	28,103,405
Pigs	3,549,200	5,619,143

The crops grown show the importance of livestock. For every hundred tons of wheat grown in Canada there are 170 tons of hay cut, whereas in the British Isles for every hundred tons of wheat 660 tons of hay are cut. In Canada the turnip crop is about one-eighth of the weight of the hay crop, but in Britain the turnip crop is slightly heavier than even the hay crop.* Of the productive land in England, Scotland and Wales, less than one-third is arable; the rest is pasture and grazing.

Increase in Imports of Foodstuffs

One of the effects of the early years of the Industrial Revolution was the encroachment of industry upon farm lands. It was more profitable to export manufactured goods and to import foodstuffs from wherever they could be obtained most cheaply. By raising the standard of living of the working population, the birth-rate increased rapidly and the mortality rate declined. Thus the increase of population was very rapid. These factors made the United Kingdom the most important market in the world for foodstuffs.

In 1821 the population of England and Wales was only 12,000,000; by 1861 it had passed the 20,000,000 mark; and by 1901 it was over 30,000,000. These increases of population were not accompanied by any increase in farm production. Before the Great War the British bill for imported food, drink and tobacco was $1,450,000,000. A higher standard of living generally, combined with higher prices, doubled this figure after the War; in 1924 and 1925 imports in these classifications were valued at $2,850,000,000. For the next four years the amount was fairly steady at $2,650,000,000, but from 1930 the general decline in the prices, of primary products caused a reduction in the value which reached $1,700,000,000 in 1933. The pendulum has now swung back, and imports in 1936 amounted to $1,914,640,000.

The 1936 figures were as follows:—

IMPORTS INTO THE UNITED KINGDOM OF FOOD, DRINK AND TOBACCO, 1936

	$	%
Meat	394,145,000	20·6
Grain and flour	347,875,000	18·2
Dairy produce	336,835,000	17·6
Beverages and cocoa	223,165,000	11·7
Fresh fruit and vegetables	185,355,000	9·7
Tobacco	92,690,000	4·8
Feedstuffs for animals	42,415,000	2·2
Living animals for food	36,205,000	1·9
Other food	254,955,000	13·3
Total	1,913,640,000	100·0

*Based on 1935 production figures.

Re-exports of these imported foodstuffs in 1936 were valued at $58,400,000—i.e. of the food, drink and tobacco imported, products to the value of $1,855,-240,000 (or 97·0 per cent of the total value of imports) were retained for home consumption.

Severity of Competition

Up till 1931 the British market (as far as foodstuffs were concerned) was entirely free; all countries could ship their products in unhampered by any restrictions or quota regulations. The result was that there was extremely keen competition to take advantage of this market. Producers in all countries studied the market with extreme care in order to ship the exact quality, type and grade that the market required, and in many instances they made products specially for the United Kingdom.

Their efforts have been assisted by the characteristics of the buying public and the food trade of the United Kingdom. The British housewife is extremely conservative. If she is accustomed to buying a particular product, she likes to keep on buying it, and it requires a great deal of effort and time to make her change.

Necessity for Consistent Quality and Steady Supply

This is reflected in the attitude of the distributing trades. They want a steady supply of what they have been accustomed to, and the quality must always be consistent. They are not interested in novelty; they want the products they have always bought—a steady supply with a steady quality.

This does not mean that the British housewife is not susceptible to change. She does change her ideas, but only slowly. Canned goods and prepared cereal breakfast foods, for instance, are now regular items on the menu, whereas a few years ago they were virtually unknown. The propaganda of the Empire Marketing Board surprised many people by its success at accomplishing a task that was thought to be almost impossible. The British housewife will usually pay a premium for a domestic product, even when (as often happens) the quality does not justify so doing, but with a majority of housewives and the trade Empire products come second. But neither will be interested in an Empire product purely for its own sake; it must come up to the proper standard.

The Future

This chapter would not be complete without some reference to the future. There are two factors of particular interest: (*a*) the future of British agriculture, and (*b*) the future of the population level.

(*a*) *British Agriculture.*—The basic problem confronting British agriculture is how to lower the prices of foodstuffs to the industrial masses, and yet to make British farming sufficiently remunerative to keep farmers on their farms. Within recent years the Government has tried to regulate imports by the imposition of special import duties, quotas or a combination of both. These regulations have met with varying success, and are really still in the experimental stages. There is the further difficulty—that an agricultural policy must take into consideration the possibility of war. Stockraising is ideal in Britain in time of peace, yet is dangerous in time of war owing to the difficulty of bringing in feedstuffs in bulk. Therefore, the production of cereals, which can be imported more economically from abroad, has to be encouraged, at least to a certain extent. The national policy, therefore, must be one of compromise.

It may be taken as probable that commissions or boards to regulate the marketing of key products will be a permanent feature, though whether these boards will be controlled by the producer or by independent agencies is still unsettled. It is also probable that the Government will continue to protect the

interests of agriculturists in the United Kingdom. It is not at all certain, however, that duties on foreign products will be maintained; thus Canadian producers must be prepared to defend their interests in an entirely unprotected market.

(*b*) *Population.*—The birthrate in the United Kingdom has been falling steadily. In 1870 it was 35·5 per 1,000; in 1922 it was barely 20; and since 1932 it has been less than 15 per 1,000. A stationary level of population is certain, therefore, in the near future,* and it is more than likely that the population will decline. If this comes about, the market will not continue to expand from weight of numbers, but it is not unlikely that a rising standard of living will result in a larger demand for the type of foodstuff that Canada produces.

Both the factors dealt with above emphasize the necessity for Canada to build up a steady demand in Britain for her agricultural products without any delay.

*See series of three articles in "The Economist," July, 1937.

CHAPTER II

LIVE CATTLE—BEEF AND STORES—DAIRY CATTLE AND DRESSED BEEF

Canada and the Irish Free State are the only countries allowed to ship live cattle for feeding or breeding purposes to the United Kingdom.

Imports of cattle of all kinds into the United Kingdom from the Irish Free State have ranged during the last ten-year period from a low of 458,164 head in 1934 to a high of 834,962 in 1930. In 1935 the exports from the Irish Free State were 592,644 head; in 1936 they were 657,301.

Exports from Canada to the United Kingdom were 37,759 head in 1936, according to the official British records, and 6,478 head in 1935. In 1933 and 1934 Canadian exports were 51,443 and 51,373 respectively, while in 1932 the figure was 16,724.

HISTORICAL OUTLINE OF CATTLE IN THE UNITED KINGDOM

The cattle population of the United Kingdom has remained fairly constant during the last ten years.

CATTLE POPULATION, UNITED KINGDOM

1927	8,183,000
1928	7,978,000
1929	7,890,000
1930	7,758,000
1931	7,954,000
1932	8,306,000
1933	8,647,000
1934	8,741,000
1935	8,658,000
1936	8,622,000

(Figures given are June counts).

As will be noted from the above table the greatest increase has been from 1930 to 1935 with an increase of 900,000 or about 11 per cent. However, with the increased numbers of cattle the estimated production of beef and veal in the United Kingdom shows a steady decline from 1929-30 to 1932-33. The figures were 588·4 thousand tons, 550·8 thousand tons, 524·1 thousand tons and 518·8 thousand tons, respectively, and include imported store cattle that were finished and slaughtered in Britain.

The recent trend in cattle numbers and slaughterings suggests, states the Cattle and Beef Survey report of the Imperial Economic Committee (1934), that the present herds are sufficient with imports of stores at about their recent level to produce about 520,000 tons of beef and about 35,000 tons of veal annually without reduction in numbers.

THE BEEF CATTLE SUBSIDY IN THE UNITED KINGDOM

(*a*) Beef and Stores

It is, perhaps, too early to say what effect the recent granting of a subsidy for home-produced fat cattle and the imposition of an import duty on foreign chilled and frozen meat may have on the home production.

In 1934 the Government passed the Cattle Industry (Emergency Provisions) Act. This Act provided a subsidy of 5/– per cwt. for cattle of a certain grade at a cost to the Treasury of £4,000,000 a year. In late January and early

February, 1937, a bill was passed through the House enlarging the subsidy to £5,000,000 a year with additional subsidies for certain quality. Commencing August 1, 1937, a subsidy of 7/6 per cwt. was to be paid on quality home-bred cattle dressing 57 per cent and 5/- per cwt. on quality imported cattle dressing 54 per cent. Ordinary home-bred cattle could earn a bonus of 5/- per cwt., and ordinary imported cattle 2/6 per cwt. Also, under the beef and veal Import Duties Bill, effective Feb. 18, 1937, a duty of $\frac{3}{4}$d. per lb. on all foreign imported chilled beef and veal was imposed, and $\frac{2}{3}$d. per lb. on frozen beef. Furthermore, the Bill provided for the setting up of a Live Stock Commission with powers to operate the new system.

Between the Act of 1934 and the reconsideration leading to the Act early in 1937, the quality of home-killed beef deteriorated with the result that price spreads between the home-killed and the Argentine chilled product narrowed. It is interesting to note that the premiums paid for English first-quality beef over Argentine first-quality chilled averaged 44 per cent in 1924, went as low as 29 per cent in 1929 and stood at 32 per cent in 1933, and approximately 30† per cent in 1936.

Competition

Canada's only competitor in the live-cattle trade in the United Kingdom is the Irish Free State. The latter is admirably suited in both climate and pasturage as well as in geographical position to supply the United Kingdom market with both fats and stores. In 1933 more than 4,000,000 head of cattle were in the Free State, or about 135 head per 100 population, which is more than in any other country in Europe.

As a result of the long-continued interest in the cattle industry by Irish Governments and the generally favourable market in Great Britain, the industry has flourished and the number of cattle has remained fairly constant. Aside from the political disturbances (1934), this condition has persisted, and the exports have remained almost unchanged.

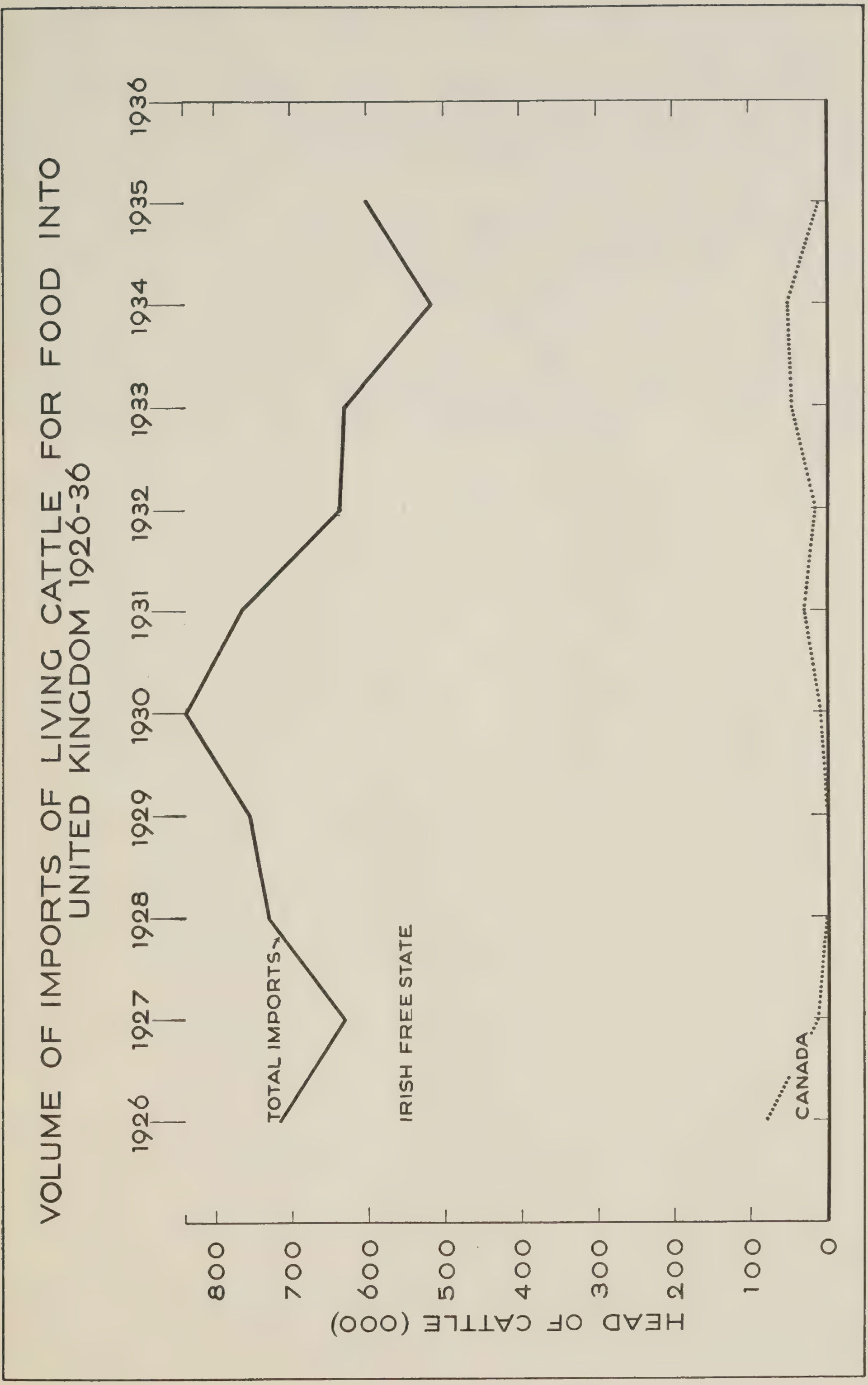
Imposition of import duties on Irish cattle by Great Britain in January, 1934, had an immediate downward effect on exports, but the numbers returned to the previous level in 1935, and were still greater (the highest since 1931) in 1936.

It is entirely likely that the Irish Free State will continue the present policy of cattle production and export. There is, however, a definite tendency to export yearling cattle instead of two-year-olds.

Canadian cattle exports to the United Kingdom over a period of years has been unsatisfactory in two respects. From the viewpoint of the Canadian exporters the market is uncertain, while the British buyer of store cattle is, under these conditions, unable to secure a regular supply of Canadian feeder cattle. These are young cattle of beef breeding, usually about two years of age, in good growing condition suitable to be finished for beef by the farmers of Great Britain. In Britain they are always referred to as "stores" or "store cattle". During the last ten years the shipments of beef cattle into the United Kingdom have been as follows:—

Year	From Canada	From Irish Free State
1927	7,669	629,001
1928	405	724,372
1929	....	749,510
1930	5,193	834,992
1931	26,991	738,967
1932	16,724	625,887
1933	51,443	582,174
1934	51,373	458,164
1935	6,478	592,644
1936	37,759	657,301

† Opinion of Smithfield Operators.


VOLUME OF IMPORTS OF LIVING CATTLE FOR FOOD INTO
UNITED KINGDOM 1926-36
1926
1927
1928
1929
1930
1931
1932
1933
1934
1935
1936
TOTAL IMPORTS
IRISH FREE STATE
CANADA
800
700
600
500
400
300
200
100
0
HEAD OF CATTLE (000)

These figures definitely tell the story of Canada's lack of regularity of exports to the United Kingdom; while the Irish Free State's exports remain relatively constant.

Although the average run of cattle exported by Canada are superior in breeding and are also relatively a healthier sort than the cattle of the Free State, nevertheless, the latter country, because of her ideal climatic conditions and close proximity to the British market, will in all probability always hold a commanding position on the British market.

Originally the vast majority of the beef cattle exported to the United Kingdom from Canada were finished or fats which were sold for immediate slaughter, but in more recent years the tendency has been toward the shipment of feeders or stores. These Canadian stores are popular on the markets and with the farmers of the feeding areas who find that they make rapid gains while in their hands and can usually be relied upon to return them a profit.

Cattle are fed in all parts of the United Kingdom, but the Northeastern and Northern Counties of England and the South-eastern Counties of Scotland are particularly noted for their rich pasture and good cattle. The markets serving these areas are: In England, Birkenhead and Norwich; in Scotland, Glasgow, Perth and Aberdeen.

The type of feeder most in demand is a well-bred animal of one or other of the beef breeds that is in fair flesh and weighing about 1,120 lbs. (10 cwt.).

Early in the season cattle lacking somewhat in condition are fairly acceptable as they will make good gains on grass, but as the season advances, better-fleshed animals are required suitable for late-fall and winter feeding in yard and stall.

Recommendations

1. We are forced as a result of a careful survey of the Canadian cattle trade in all parts of the United Kingdom to the conclusion that the services of a sales superintendent with special qualifications are needed in this field and, because of the very special nature of the work, that he should be responsible to the Department of Agriculture.

The sale of feeder or store cattle presents very different problems from those that arise in the marketing of other agricultural commodities. With processed or packaged goods, orders are usually placed with brokers in advance by letter for future delivery, whereas with live cattle, the sale is made only after the actual animals are inspected by the prospective buyer. This means that it is all important that those in need of store cattle are made acquainted with the merit of Canadian animals. This can only be done by actually interesting the farmers in the cattle feeding areas of England and Scotland in what Canada has to offer.

Because of the fact that live cattle are valued by the purchaser on their individual merit, the services of a specially qualified salesman would be required. He must be a man thoroughly familiar with production costs and values in Canada, and an experienced judge of commercial cattle.

2. Although all sorts of cattle can be disposed of on the markets of the United Kingdom, at a price, nevertheless, it would appear that greater care should be exercised in the selection of feeder cattle intended for this market.

3. More attention should be paid to the breeding of cattle intended for this market. Beef type is desired, good conformation is essential, while a good solid colour also has a distinct market value.

4. Large and badly placed brands (on rib or flank) are objected to and discounted somewhat in the sale ring. Attention of ranchers should be directed to this problem.

5. Although very young or light-weight feeders will sell well, the transportation costs (being computed on a space basis), are apt to be relatively too high as compared with rates on heavier animals.

As the ocean transport costs were based originally upon the movement of finished cattle (which were of decidedly greater value per head), and as now the trade is almost entirely confined to feeder or store cattle (of considerably less value per head), it would appear that an investigation as to the fairness of the present rate would be in order.

6. The movement of cattle destined for the export market would be assisted if feeding-in-transit rates were put into effect. This would permit cattle being held en route for finishing.

(*b*) Dairy Cattle

Five years ago the United Kingdom established new import regulations which permitted breeding cattle to enter this market. As a result, Canada shipped to the United Kingdom the following quantities:—

Years	Number of Canadian Dairy Cattle
1933	499
1934	1,119
1935	293
1936	640
1937 to July 31	411

Canada's only competitor in this market is the Irish Free State. The only condition imposed on the importation of Irish cows is that the duty must be paid. Unfortunately, statistics relative to the number of imports of cows into the United Kingdom from the Irish Free State are not available, but it is a well known fact that Irish heifers and cows are imported in very large numbers. Canada's shipments shown above are relatively insignificant but there is no good reason why she should not get a very much larger share of this business. This trade presents great possibilities for Canadian breeders but suffers from several handicaps.

Some of the decisions of the Inspectors for the British Ministry of Agriculture, who inspect all Canadian dairy cows upon arrival, have been the cause of some dissatisfaction among the shippers. There have been times when considerable numbers of what would appear to be excellent animals in certain consignments were rejected as unsuitable and were marked for slaughter. For the most part, however, and particularly in recent shipments only those which were obviously unsuitable have been rejected.

In addition to this there is still a small group of breeders who are opposed to the importation of Canadian dairy cows, but their influence seems to be growing less.

Both in England and Scotland the demand for Canadian Friesians is increasing. All the owners of the 13, or more, herds made up of Canadian-bred cows which were visited were enthusiastic regarding them. The same may not be said of Canadian-bred Ayrshires, as the consignments seen were not entirely acceptable to the trade. Most of the Ayrshire cows lacked scale, which the dairy farmer demands. Small teats and poor udders were not uncommon. Many of the individuals in the shipments inspected, as well as some of the cows from previous shipments seen on farms in Scotland, were not particularly outstanding.

The health of Canadian dairy cows is their highest recommendation when they are compared with dairy cattle from the Irish Free State.

The type of the Canadian-bred Friesian does not entirely conform with the British type as the latter is a thicker animal, with considerably more spring of

rib. However, the Canadian-bred cows in the herds inspected, were, in nearly all cases, found to be producing more milk than the British Friesian. A number of herds of Canadian-bred cows could be criticized, however, on account of the slightly lower butterfat content of their milk as compared with the home-bred cows. This feature is regarded by some farmers as an objection to our cattle.

From following the debates in the British House of Commons in recent weeks, one would gather that the Ministry of Agriculture and Fisheries is very seriously contemplating the inclusion of tuberculosis-free herds under the Milk Marketing Scheme. Tuberculosis-free areas patterned after the Canadian method have been discussed and, although considerable opposition may be expected, in all probability sentiment will grow in favour of safe-guarding the milk supply.

If this happens, Canada, being the only country in a position to ship tubercular-free cows, will be presented with a golden opportunity to supply the animals required for replacement purposes. As a direct result cows free from tuberculosis will, in the near future, command a premium in the United Kingdom.

Recommendations

1. Dairy cows, even to a greater extent than store cattle, are sold on individual merit. Their value is measured by age, type, breed, condition, colour, apparent milking capacity as indicated by development of the mammary system, quality and general appearance, as well as by many other intangible qualifications. This being so, it is obvious that the development of trade in dairy cows demands the services of a man thoroughly familiar with every phase of the dairy-cow business. We are firmly of the opinion that a great opportunity awaits Canada in this field if sound judgment is used in its development. Canadian cows are popular; they are in demand. Each new purchaser that can be secured and each new herd that can be established in Britain will be of great value in advertising our cows. We are convinced that the only man who can accomplish this is one who not only knows Canadian-bred dairy cows, but is also capable of discussing intelligently the merits of the home breeds used so widely by British dairy farmers.

2. There is every indication that the export of dairy cows to the United Kingdom is likely to continue. In fact, there are factors at work that would indicate that such an export business might easily become of considerable importance to Canada. This will depend almost entirely upon the quality of the animals exported, and, to ensure that they are entirely suitable, the Government inspection at point of shipment would have to be rigidly enforced.

3. Official certificates certifying that all animals have been tested within a reasonable time of shipment and found to be free from tuberculosis, should be furnished covering each animal in the shipment.

4. Consideration should be given to the question of testing for Bang's disease and issuing certificates indicating freedom from this malady.

5. Cows for this trade should be capable of producing milk testing more than 3 per cent butterfat, preferably 3·5 per cent.

6. The greatest demand is for heifers carrying their first calf and within about two weeks of calving at time of sale. Young cows up to 5 or even 6 years of age if sound and of good type are also in demand.

7. Extreme dairy conformation is not looked on with favour, a rather thicker, fleshier type of animal carrying a well-attached and evenly-balanced udder being the type desired.

8. Good condition is important. Heifers well-grown and carrying plenty of flesh bring the best price.

(c) Dressed Beef

In 1935 the United Kingdom imported chilled, frozen and canned or tinned beef, in the following amounts:—

	Long Tons
Chilled	424,278
Frozen	148,905
Tinned or Canned	48,950
*Total	622,133

*=Figures are from the United Kingdom Trade Abstract, 1935.

Between one-half and two-thirds of the beef imported to the United Kingdom is received through the Port of London and sold on the Smithfield Market.

Up to the present Canada has not found it possible to ship chilled or frozen meat with any degree of regularity to the United Kingdom market. This is due to several reasons, the most important being that the climatic conditions in Canada are by no means as favourable to low cost production of beef cattle as is the case in the South American countries which are engaged in this trade.

Because of low production costs and consequent huge business development, steamship companies have been induced to equip ships specially constructed for carrying and delivering their products to United Kingdom markets in perfect condition.

In the general chilled and frozen beef trade, Canada must meet the stiffest kind of competition from the South American countries as well as from Australia and New Zealand, all of which have been engaged in the business for upwards of 50 years, and consequently are now virtually in control of the market.

There is, however, a distinct possibility that Canadian fresh-killed beef might be successfully marketed in the United Kingdom. The British people still prefer home-killed beef and are willing to pay a premium for it. Canada, being the closest of all the Dominions, could possibly develop a market for a limited amount of fresh-killed beef shipped in a chilled state, but not frozen, which, if of good quality, might be expected to compete with the home-killed product.

There are many difficulties in the way, transportation of the product in as nearly fresh condition as possible being one of the most important. If it is frozen it is immediately classified as such. If this chilled meat business is undertaken, it must be on such a basis as will allow the product to be classified as Canadian Fresh Killed in order to secure a premium over the regular chilled and frozen supplies.

The demand now is definitely for lighter animals. Carcasses weighing 450 to 500 pound are the most popular, and command the highest prices. Cattle such as make the best baby beef would suit the trade. The fact that Canadian beef would be grain fed would enhance its value, as carcasses would present a superior appearance on account of the white colour of the fat.

Recommendations

1. Some investigational work has already been done on dressed beef. We would suggest that several small trial shipments be made to demonstrate whether or not the product can be landed in the British market in a fresh, satisfactory condition.

2. Care should be taken to ship in either full sides or short sides as all home-killed beef is handled in this manner. All frozen beef shipped to the British market is quartered.

CHAPTER III

HORSES

Considerable change has occurred in the horse situation in the United Kingdom during the last ten years. This change has affected both the draught- and light-horse breeds.

The number of horses in the United Kingdom has decreased steadily since 1922, a fact which is shown by the numbers listed below:—

Year	Horse Population
1922	2,096,728
1927	1,343,231
1932	1,161,998
1933	1,145,557
1934	1,126,332
1935	1,112,515

The above figures show a decrease of approximately 50 per cent, or 984,000 head. This decrease in numbers has been due largely to the growing displacement of the horse by the tractor in agriculture and by the automobile and truck in transport.

During the period of this decline brought about by the mechanization of agriculture and changes in transport, the demand for horses lessened. Consequently horse prices fell to the lowest levels in several decades, placing the industry at a low ebb and curtailing breeding. The results are that to-day because of their scarcity horse prices throughout the United Kingdom have increased to the extent of approximately £10 to £20 per head in the last year.

Importation of work horses into the United Kingdom was steady from 1927 to 1931 and ranged from 9,505 head in the first-mentioned year to 7,657 head in 1931. In 1932 the number dropped to 5,994 and in 1933 to 3,884. Beginning in 1934 the number increased to 6,188, reached 9,211 in 1935, and achieved a ten-year high mark of 10,664 head in 1936.

Among the exporters of horses to the United Kingdom the Irish Free State stands high. In 1935 the Free State shipped 4,973 head, and in 1936, 5,381 head, which, for the most part, were saddle horses. Belgium stood next in 1935 with 2,547 head and in 1936 shipped 2,622, while in 1936 Lithuania contributed 770 head, and Poland 540 head. Canada in 1935 contributed 191 head and in 1936, 275 head.

The supply of light horses in both the United Kingdom and Ireland has been drawn on by foreign countries for army remounts, Italy and Russia being the principal buyers. This shortage has resulted in a price increase which opens this market to Canadian shippers at the present time.

In June, 1937, a shipment of eighteen Alberta saddle horses was made to Somerset. These were intended for hunting purposes and were exceptionally well received. The outlook is most encouraging for further shipments of a limited number of saddle horses; the type desired being a horse standing 15·3 to 16·2 hands, young and of good conformation, clean flat-boned, with high withers, short back and level quarters. The most suitable type for this purpose is usually sired by a thoroughbred of good size, but may be out of ordinary range mares of good conformation with quality and size. Canada can furnish a considerable number of this kind.

The stamina of these horses together with their performance and ability to take care of themselves both in shipping and under the saddle, received the most favourable comment. Horses of the hunter type, well-mannered and capable, are in considerable demand, good ones realizing up to £100 in England.

It is not recommended that light horses be consigned to public auctions as such procedure may result in unfavourable prices, or, the horses remaining unsold. These horses are best sold by private treaty and the sale depends entirely on the individuality of the horse coupled with his suitability for hunting purposes and his performance and manners. It is vital in the best interests of the shipper that reliable consignees be found to act as agents or brokers with authority to hold the horses for a short period, if necessary, to await more favourable prices. For example, horses can be held for about one shilling per day on pasture. The best period for sale of hunter-type horses is from July to September.

The sale of 80 Canadian-bred draught horses at Perth, Scotland, was a fair example of the market demand for this type of horse, and of the price range in the market in the United Kingdom. The shipment averaged £57 per head with a top of £91 and a low mark of £41. This shipment was an average lot of Canadian-bred horses weighing 1,600 pounds and over, standing 16 to 17 hands high, and in only fair condition. A few carried too much age, but were sound, and for the most part of good conformation and were well-broken, which is important.

Shippers of draught horses will find a better market in the north than in the south of the United Kingdom. Care should be taken that horses shipped are sound, well-broken, young, and that they arrive in the period March to May. It is not necessary to have the horses fat, but good frames are necessary. The northern markets want plenty of scale.

Recommendations

1. Only sound, well-broken draught horses of good conformation, standing 16 hands, or over, and up to good size should be sent to the United Kingdom market.

2. The best selling ages are four to five years although older horses up to eight years can be sold provided they are sound and in good condition.

3. Shippers should try to offer draught horses in the United Kingdom market in March, April and May.

4. Light, or hunter-type, horses should be offered during the summer and early autumn as this is the season when they are most in demand.

5. Good manners and good mouths add greatly to the value of hunter-type horses. Care should be taken in this respect to avoid loss or disappointment in shipments.

6. The value of a saddle horse varies with the individual animal and depends on a multitude of characteristics with which the salesman must be familiar and which he must be able to evaluate correctly. He must be familiar with and able to recognize the type required for saddle purposes, whether it be for cross-country riding, hunting in rough or moorland country, or for estate or park use.

The same is true of the draught horse. These are also purchased singly and are selected by the purchaser as the animal most suitable for his particular needs. The salesman must be not only familiar with horses and horse breeding in Canada, but also must know exactly the type of horse most suitable for the British trade, whether it be required for lorry, cart, van or for work in chains on the farm.

We are of the opinion that good work can be done in this field by a specially qualified man whose duty it would be to interest prospective purchasers in Britain with the outstanding merit of the Canadian-bred saddle and draught horse.

CHAPTER IV

PIG PRODUCTS—BACON AND HAM

HISTORICAL OUTLINE

One hundred years ago Britain was an exporter of pig products. To-day she is the greatest importer of pig products in the world, with approximately only one-third of the bacon and ham consumed within her borders produced at home.

Imports of pig products into the United Kingdom showed a continuous increase since the "forties" of last century, when they stood at a little over 35,000 cwt. per annum, until 1933. For several decades the United States held a monopoly in the export trade of bacon, hams and salt pork to Great Britain. In the "eighties" Denmark made her first bid for a share of this trade, a trade which has developed continuously until she is now the foremost country in efficiency and organization in respect to pig products.

Early in this century Holland had developed a large trade in fresh pork to the United Kingdom which exceeded in quantity all imports of pork from the United States, whether salted or chilled.

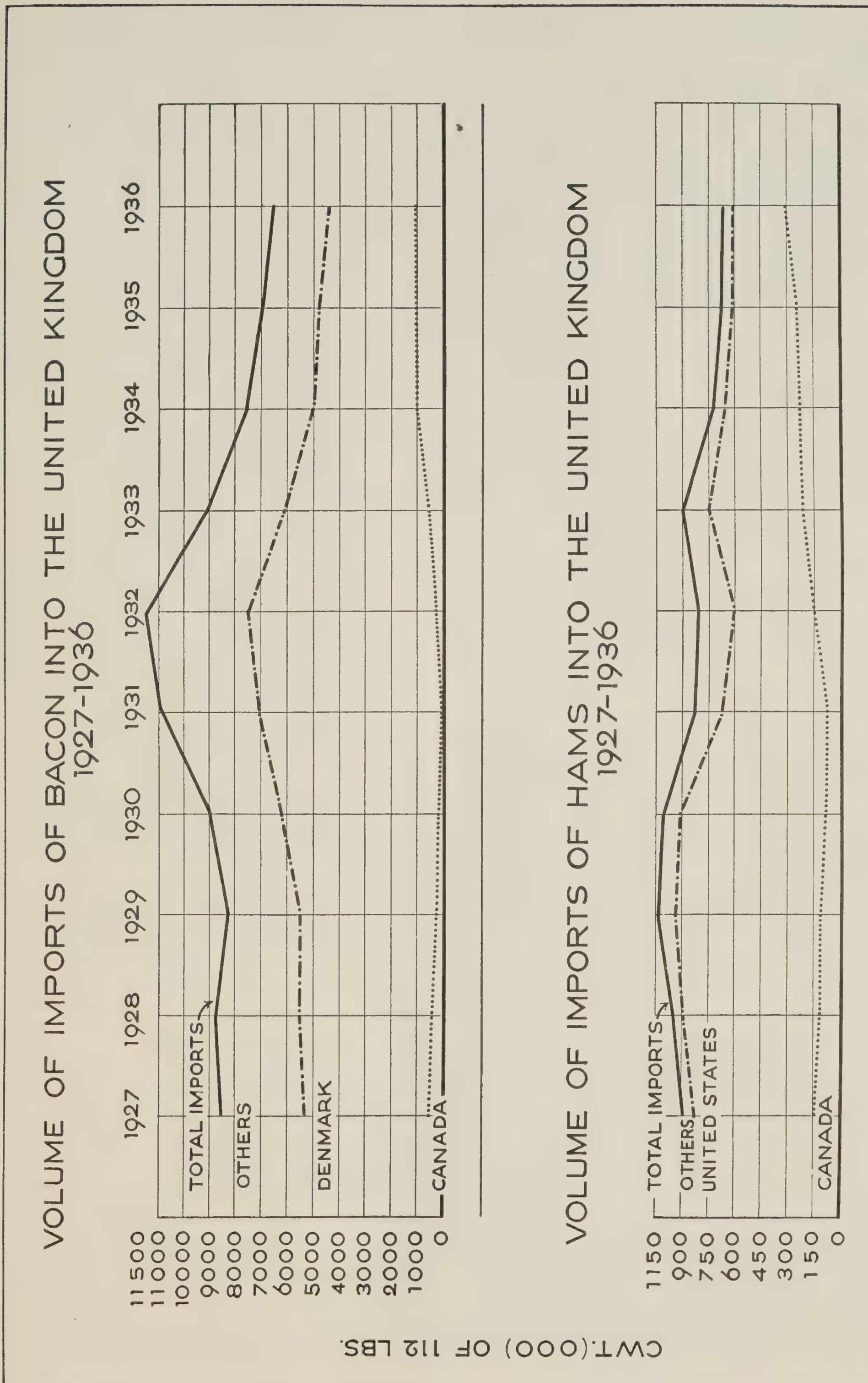
At the outbreak of the World War in 1914, Great Britain was importing nearly 8½ million cwt. of pig products, the United States and Denmark contributing each more than 40 per cent of the bacon and hams, and Holland over 90 per cent of the fresh pork. Further changes took place. With the increase of population and consumption in the United States her share of the bacon trade has diminished to the advantage of Denmark, Holland, Sweden and the Baltic States.

In 1926 an embargo was placed on the importation of fresh meats from continental sources as a preventive measure against foot and mouth disease. This closed the market to Dutch supplies of fresh pork, a supply which is now largely provided by British and Irish farmers. In more recent years other sources of supply have developed. In 1928 pig products imported amounted to more than 12 million cwt., or 50 per cent more than pre-war imports. Practically the whole of this increase came from foreign countries. In 1912 foreign countries supplied 93 per cent, in 1913 95 per cent of the supplies imported. In 1927 and 1928 foreign countries still supplied 91 per cent and 93 per cent, respectively. Consequently, Empire countries actually supplied less of the import trade in 1927 and 1928 than they did in 1913.

Analysis of the British import figures for bacon for the last four years, however, shows a definite trend towards increased imports from Empire countries. In 1933 Empire countries supplied 8 per cent of the total imports; in 1934, 17 per cent; in 1935, 20 per cent; and in 1936, 24·3 per cent. Of this 24·3 per cent Canada supplied 16·6 per cent.

In 1933 Canada moved up from seventh to fourth place among the nations supplying bacon to Great Britain. By 1936 she had occupied second place among some 28 countries, a position she still holds, being exceeded only by Denmark which supplied 51·3 per cent of the total imports.

With the development of the Bacon Industry in European countries, imports into the United Kingdom increased to a record total in 1932 of 11,391,000 cwt. from the various contributing countries. The adoption of the regulation of imports from foreign countries by the British Government in 1933 caused imports to decline to 9,084,933 cwt. in that year, a decline which continued through to 1936 when 6,569,000 cwt. were imported. This decrease between 1932 and 1936 amounted to 4·8 million cwt. or 42 per cent.


VOLUME OF IMPORTS OF BACON INTO THE UNITED KINGDOM
1927-1936
1927
1928
1929
1930
1931
1932
1933
1934
1935
1936
TOTAL IMPORTS
OTHERS
DENMARK
CANADA
11 500
11 000
10000
9000
8000
7000
6000
5000
4000
3000
2000
1000
0
VOLUME OF IMPORTS OF HAMS INTO THE UNITED KINGDOM
1927-1936
TOTAL IMPORTS
OTHERS
UNITED STATES
CANADA
1150
900
750
600
450
300
150
0
CWT.(000) OF 112 LBS.

Bacon shipments from Denmark have declined in each of the last four years (1933-36). They decreased by 12 per cent in 1936, and were 51 per cent of the total imports as compared with 55 per cent in 1935 and 56 per cent in 1934. Canada as the second highest supplier sent 19 per cent more in 1936 than in 1935, while imports from the Irish Free State, which displaced the Netherlands as the third most important source, showed an increase of 10 per cent. Lithuania and Latvia increased their exports by 17 per cent in 1936, but other foreign countries showed decreases; both the Netherlands and Poland, each large suppliers, showing 5 per cent less.

Ham imports, too, have declined between 1932 and 1936. In 1932 imports amounted to 801,000 cwt. and in 1936 to 671,000 cwt. In supplying hams to the United Kingdom, Canada holds second place to the United States. Canada supplied over 41 per cent of the hams to the British market in 1936 compared with the United States 49·5 per cent.

Imports of chilled and frozen pork, mainly from New Zealand, with some from Australia and a fair amount from Argentina, have increased rapidly in the last four years.

Some idea of the importance of this trade may be gained from the following import figures:—

CHILLED AND FROZEN PORK IMPORTS TO THE UNITED KINGDOM

(In cwts.—000 omitted)

—	1930	1931	1932	1933	1934	1935	1936
New Zealand	137	122	131	278	414	490	579
Australia	23	86	45	66	83	147	233
Argentina	74	81	109	166	277	187	190
Total from all countries	351	363	340	620	1,104	913	1,025

It will be seen from this tabulation that imports of frozen pork have materially increased since the establishment of the quota system under the Agricultural Marketing Act and Bacon Marketing Scheme in Britain with the main stimulus given to production in Empire countries, New Zealand being the main contributor. In fact, there has been a remarkable expansion in the last four years in New Zealand and Australian shipments.

Imports of chilled and frozen pork do not come under the bacon quota regulations but a considerable volume is now being cured as Wiltshires in England. The possibility of increased volume and competition from this class of product should not be overlooked.

Competition

The most important competitor is, of course, Denmark. Other countries shipping annually more than 100,000 cwt. into the United Kingdom are the Irish Free State, Netherlands, Poland, Sweden, and Lithuania. As imports from these countries are governed by quotas, there is no need to describe their selling methods. There is, however, one historical comment that is worth making.

Before the quota was instituted, bacon was shipped in to the United Kingdom from a very large number of countries and was sold on its merits. There is still a prejudice against Canadian bacon, however, because immediately after the War much inferior bacon was sold and this, having been held in storage for some time, seriously damaged the reputation of Canadian bacon. At this time Denmark and other continental countries exported fresh, mild-cured bacon, and because of their geographical position their product was fresh and popular. This

gave Denmark, our greatest competitor, a chance to capitalize on her opportunity, which she did effectively. When the quota regulations came into force, all continental countries' supplies were cut to a minimum, which made the demand greater and the price, therefore, higher.

British Bacon Marketing Scheme

The British Bacon Marketing Scheme, formed under the Agricultural Marketing Act of 1931, came into effect on September 10, 1933, and covered all pigs sold for conversion into bacon in the United Kingdom and applied to all bacon and hams produced in Great Britain. The home industry was allotted a quota, based on the volume of bacon it could undertake to produce, with the remainder of requirements allocated to the various exporting countries as national quotas. Provision was made for the ordered expansion of home supplies at the expense of foreign supplies, any increase in the Dominion or Colonial share also being at the expense of foreign supplies.

Without developing the varying fortunes of the Bacon Marketing Scheme, such as the difficulties over fulfilment of pig contracts by producers, the setting of foreign quotas, the organization of the Bacon Development Scheme (Sept. 7, 1935) for nationalization of bacon production, and the apparent " collapse " of the Scheme early in 1937, it is necessary to show the effect the Scheme had on the home production, on foreign imports, and on imports from Empire countries.

Since 1930 the production of bacon and hams in the United Kingdom has about doubled, while home-produced fresh pork production has increased but slightly during the same period. This last statement is particularly true for the period 1933-1936 during which time the Bacon Marketing Scheme was functioning. In 1930 it was estimated by the British Ministry of Agriculture that the output of bacon and hams in Great Britain totalled 1,289,000 cwt. (including 1,013,000 cwt. of bacon).

In 1933 bacon production was estimated at 1,639,000 cwt. By 1934 home production of bacon and hams by registered curers under the bacon scheme amounted to 1,486,000 cwt. with an additional 250,000 cwt. made from imported pork—a total of 1,836,000 cwt.

The estimated production of bacon and hams in 1935 reached 2,376,000 cwt., which breaks down into 2,028,000 cwt. produced in the United Kingdom and 348,000 cwt. made from imported pork.

In 1936 home production was estimated at 2,756,000 cwt. of bacon and hams, which figure includes 433,000 cwt. made from imported pork, or a home production of 2,323,000 cwt.

Summarized, the production figures in Great Britain for bacon and hams are:—

	Cwt.
1930	1,289,000
1933	1,639,000
1934	1,736,000
1935	2,376,000
1936	2,756,000

Proposals for the future organization of the pig industry are at present under consideration, but the form which they will take has not yet been announced.

Production in Northern Ireland during the last three years has also increased as the following figures show:—

	Cwt.
1934	488,104
1935	583,507
1936	725,200

RECENT BACON ALLOCATIONS

The following table shows the quantities of foreign bacon, as defined in the Bacon (Import Regulations) Order, 1934, to be imported into the United Kingdom from each of the principal foreign countries during the period July 1 to August 25, 1937:—

Country	Allocation Per Cent	Allocation Cwt.
Denmark	63·5	516,280
Netherlands	9·5	77,240
Poland	7·95	64,640
Sweden	4·70	38,216
Lithuania	2·95	23,984
Estonia	0·75	6,096
Finland	0·40	3,252
Latvia	0·70	5,692
U.S.S.R.	0·85	6,912
Argentina	0·70	5,692
U.S.A.	8·00	65,043
		813,047

Market Conditions

Canadian bacon is sold on the British market in competition with bacon from many other countries. An English breakfast and bacon are synonymous, and consequently each individual is a bacon critic. Canada must, therefore, have a quality of bacon that will compete with the product from other countries.

British bacon import regulations permit Canada to supply a total of 280,000,000 pounds a year. In recent years Canada has materially increased exports of bacon to Great Britain, while foreign countries have had to curtail their shipments. For all practical purposes the quota allocated to Canada permits of unrestricted exports, since the maximum has never been approximated. Foreign countries have endeavoured to take full advantage of the restricted volume by shipping only top quality bacon. For example, Denmark is exporting only sizable Wiltshires (55-65 pounds) of best quality. Hogs unsuitable for Wiltshires of this category are either returned to the farmer or utilized in the domestic trade at a very reduced price. This has created a tremendous incentive to further improvement. The Wiltshires are also trimmed much more than previously, to permit of the greatest number of sides in the tonnage allocated. These factors have contributed to higher standards and better quality, which partially explain the price differential on Canadian bacon.

The increased volume of Canadian bacon exported during recent years has necessitated the shipment of a considerable volume of less suitable weights and second-grade product. Notwithstanding this handicap, remarkable improvement has been accomplished in transportation, butchering, handling, distribution, and the general condition of Canadian bacon. A high-quality product is essential if the highest price is to be obtained on the British market.

Canadian bacon for distribution in London and the Home Counties arrives at Surrey Docks, London. Dock facilities and storage space are very satisfactory. The bacon is transferred from the ship's hold to semi-refrigerated space, which is generally maintained at a temperature of 49 deg. F, or a portion is loaded in barges to be moved a short distance up the river to equally satisfactory storage space. Bacon for distribution in the Midlands is discharged mainly at Liverpool and Manchester ports, with small quantities at Hull and Newcastle. Storage space at the northern ports is not refrigerated, but since the volume is relatively small and is moved quickly facilities can be considered satisfactory.

The bacon moves from cool stores or docks direct to the wholesaler, multiple shops or retailers. In the London area the greater part of the bacon is smoked, and therefore must move through either the wholesaler or multiple shops which

are equipped to smoke. In the Midland districts the preference is for green bacon, and as a result a greater percentage of the bacon moves direct from the importing agent to the retailer.

Formerly long hooks were used by the stevedores, and these did considerable damage to the bacon. The use of long hooks has been discontinued and a bag hook is now used which eliminates any chance of marking. An improved type of sling has also been adopted and overloading of slings is prohibited. These changes have materially reduced mutilation of sides.

A Canadian representative from the Department of Agriculture is at present stationed in England for the purpose of inspecting the grading and condition of Canadian bacon on arrival. Representative bales from each shipment are inspected regularly and an inspection report reaches each packer through the Department at Ottawa.

The trade in general are unstinted in their praise of the improvement in Canadian bacon. There is, however, much to be done if Canadian bacon is to reach the same standard of excellence obtained by many competitors. The following observations are made to indicate what further improvement is essential.

Flavour.—It is generally agreed that the flavour of Canadian bacon is equal to that of any other bacon.

Colour.—Frequent observations are made that Canadian bacon has a tendency to discolour shortly after being cut. This condition is also true of other bacons, but particularly of Canadian. This tendency makes the retailer apprehensive about handling our bacon, particularly in warm weather, since it deteriorates rapidly unless moved off the counter quickly.

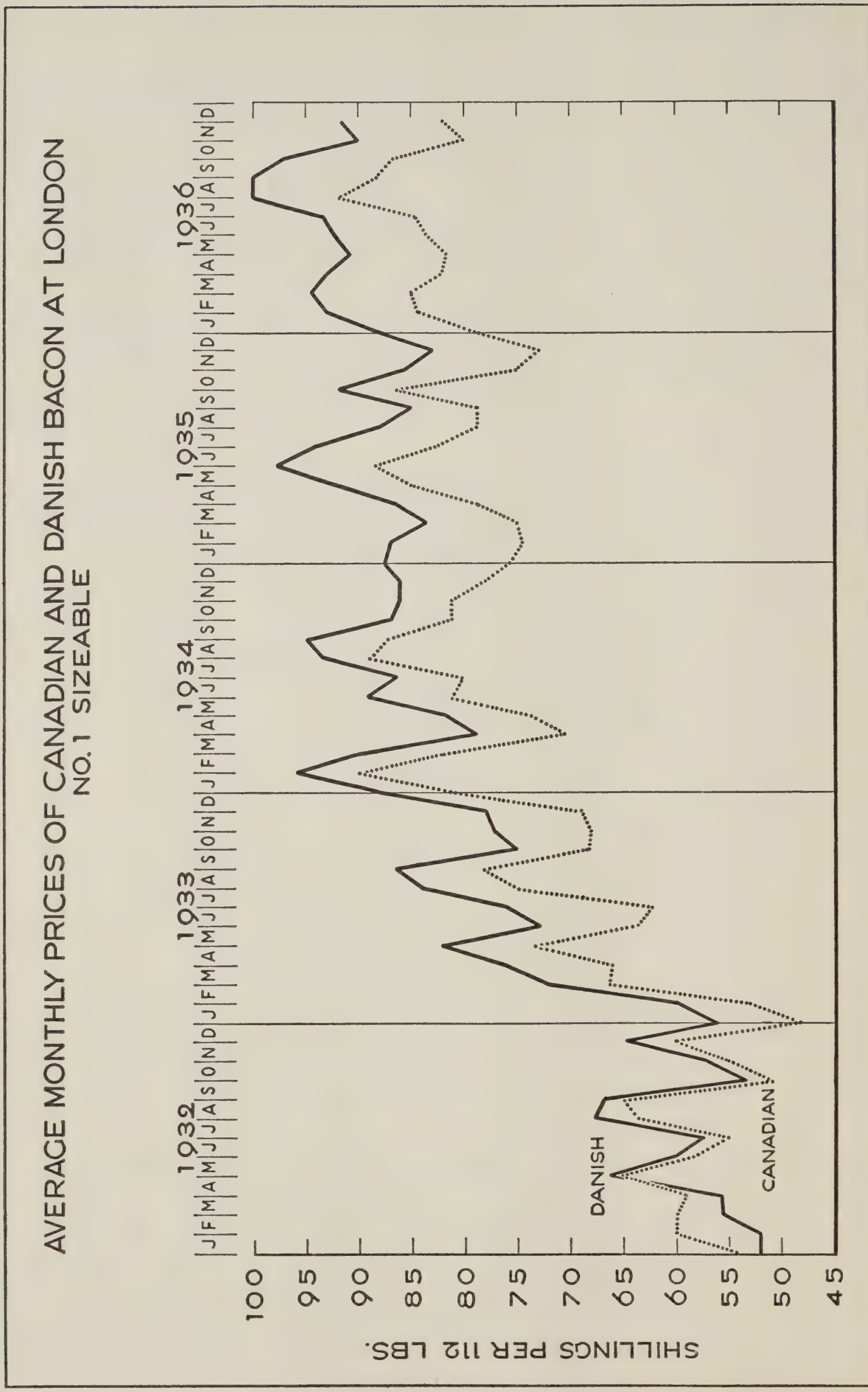
Selection and Grading.—The grading and selection of Canadian bacon are not entirely satisfactory and must be improved. Selections are occasionally mixed, and, less frequently, grades are inaccurate. This has a tendency to create dissatisfaction, particularly with the small retailer. It is generally conceded that this fault is not entirely with the Canadian exporter since it is alleged that wholesalers do not always sell bacon according to the selection in which it was baled. To prevent this practice, certain other countries are now stamping the selection number on each side.

Workmanship.—Butchering has been greatly improved, and is equal to other bacons, excepting that the meat around the shoulder pocket, from which the shoulder blade has been removed, is often jagged and torn. There is also some variation in the singe from the different plants. Some improvement in the scraping would give the skin a better appearance. This applies more especially in the Midlands and the North where the bacon is sold green.

Weights.—The percentage of sizables (55-65 pounds) is much too small. While it is true that there is a market for out weights, it invariably is at a lower price level. Improvement in type and quality is a lengthy process, but tremendous improvement could be made in a very short time by having a greater percentage of the hogs marketed at suitable weights. This is one place where immediate improvement could be made.

Price.—There is a limit to the price which bacon can reach and still enjoy a free market. The limit of consumption set up by the Lane-Fox Commission was based on the quantity of bacon that would be consumed at a given price. When bacon prices reach approximately 100s. per hundredweight the demand recedes. The middle classes are the backbone of the bacon trade. If they can buy enough bacon with the money set aside for that purpose they do so, but if the quantity is not sufficient they will look for some other meat substitute.

Since there is a limit to the price which can be obtained for bacon, it is essential that Canadian bacon secure the highest possible price. Generally


AVERAGE MONTHLY PRICES OF CANADIAN AND DANISH BACON AT LONDON
NO. 1 SIZEABLE
1932
1933
1934
1935
1936
J F M A M J J A S O N D
DANISH
CANADIAN
SHILLINGS PER 112 LBS.
100
95
90
85
80
75
70
65
60
55
50
45

speaking, Denmark has enjoyed the advantage of securing the top price of all imported bacon. A healthy export bacon trade will be difficult to maintain in Canada on the price basis of a secondary product. Continued improvement in quality is therefore essential.

Canadian bacon is handled by 11 importing agents and is sold through the same channels as all other bacon imported by England. The importing agent sells to the wholesaler or multiple stores, or to retailers on the amalgamated list, the requirements for the latter being at least 100 sides of bacon weekly. The wholesaler, in turn, sells and distributes to the smaller retailers.

The general opinion of the importing agents is that increased volume, associated with continued improvement, is all that is necessary to establish Canadian bacon in a favourable price position on the British market. This, however, can hardly be reconciled with the fact that other commodities offered in limited volume—for example, Canadian cheese and Irish bacon—command a premium in price.

Multiple Shops.—About 80 per cent of Canadian bacon is reported to be sold by importing agents direct to retailers and multiple shops. While sale to multiples is advantageous in point of volume, they prefer to merchandise under their own trade name and are reluctant to display Canadian bacon as Canadian bacon. As Danish bacon has a decided consumer demand, the retailer capitalizes on this fact by displaying it as Danish. This is also true of English and Irish bacon. Canadian bacon, along with Baltic, is consequently used as a secondary product and sold at a lower price. This condition may be best explained by the fact that Canadian bacon is not identified as Canadian bacon, and the consumer generally is not aware of its present merit.

Cuts.—Some of the larger wholesalers have made very definite representation in regard to the large volume of box cuts being shipped from Canada. During 1936 Canada shipped a total of 154,768,800 pounds of bacon and pork products to the United Kingdom. Of this total 93,644,513 pounds were shipped as Wiltshire sides; 37,109,089 pounds were shipped as hams; and 24,015,198 pounds were shipped as box cuts, i.e. fore-ends, picnics, butts, and backs. While accurate figures are not available, the percentage of box cuts has been much higher for the present year, to date.

Wholesalers put forth the argument that the large quantities of Canadian cuts have a depressing influence on the price of Canadian Wiltshires because they are sold cheaper than the fresh cuts from a Wiltshire side. During the week of July 16, 1937, the official price per hundredweight of Canadian Wiltshires was 90s. The price of fresh cuts was 70s. for green fore-ends, 118s. for green backs, and 120s. for green gammons. The price given for box cuts was 66-68s. for fore-ends, 92s. for backs, and 112s. for gammons. The wholesaler's argument is that the sale of box cuts at these prices undermines the market for his fresh-cut Wiltshires. He is, therefore, unable to realize a profit and must, of necessity, buy his Wiltshires cheaper. While box cuts are worth less than cuts from Wiltshires, immediate consideration should be given to the influence on the Wiltshire market of the competition from these cheaper products.

Volume.—Great Britain is definitely dependent on imported supplies of bacon, and must always be assured of adequate volume. At present Canada is the second largest supplier. In 1932 she shipped 182,683 hundredweight to the United Kingdom, and in 1936, 1,092,401 hundredweight. Unless Canada is in a position to undertake delivery of an assured volume, Great Britain cannot be expected to jeopardize her position with regard to supplies from other countries.

Regularity of supply is, therefore, of supreme importance, and it has a very direct relation to price. The requirements of wholesalers and retailers are fairly constant from week to week. If they are handling Canadian bacon and their

normal supply is reduced, they are placed at a distinct disadvantage as their competitor is probably assured of his regular volume. There is, therefore, a definite tendency to handle and push the sales of a bacon the regular volume of which can be relied upon. Because of quota regulations other countries always ship their regular volume; the trade therefore, rely on other bacons for their regular requirements, and many retailers use Canadian bacon only when required to take care of fluctuations in demands.

Recommendations

1. We feel that action should be taken to develop better merchandising methods. This can undoubtedly be done if well-trained sales supervisors are made available, whose duty it would be to meet the trade constantly and to develop an interest in the Canadian product.

A careful survey of Canadian bacon, as it is handled in United Kingdom retail shops, failed to convince us that it was being merchandised in the best possible manner. On very few occasions was it advertised or sold as Canadian bacon. True, the merchants handling it are familiar with the product, but the great mass of the consumers have little knowledge of bacon other than the old-established lines such as English, Irish and Danish. We admit, of course, that the identification of bacon, a product retailed in sliced form, is difficult. We found definite evidence however, that certain kinds were being asked for by the consumer. The reason appears to be, not that the brand requested was of better quality, but that they have been made familiar with a certain brand through continued advertising and merchandising practices. It would be quite practical to furnish shop-keepers who handle Canadian bacon with labels to identify the product. This is quite a common practice with our competitors.

2. Standards of quality must be maintained and improved.

3. As volume and continuity of supply are essential other efforts will be nullified unless this can be accomplished. It is recommended that careful consideration be given to the possibilities of assuring a regular volume of this commodity.

4. A much higher percentage of sizable Wiltshires is desirable in Canadian exports. Serious consideration should be given to the formulation of a policy which will encourage the marketing of a greater percentage of hogs of suitable weights.

5. There is a tendency on the part of Canadian exporters to increase greatly shipments of cuts to the United Kingdom market. Very careful consideration should be given to the influence of this class of product on the Wiltshire market with a view of arriving at some decision and, if thought necessary, of regulating the volume of cuts exported.

6. The grading and selection of Canadian bacon has greatly improved in recent years. There is a need however, for further improvement.

7. We suggest that further investigation be carried on in connection with transportation problems, including movement by rail, handling facilities at docks, and ocean transportation.

8. Canadian bacon frequently discolours too quickly after being cut. Necessary investigation should be undertaken to ascertain and remove the cause, if possible.

9. It is recommended that exporters be required to brand the selection on each side of Wiltshire exported to prevent possibility of substitution.

10. The attention of the processors should be directed to the necessity for better workmanship in the removal of the shoulder blade in preparing Wiltshires.

CHAPTER V

DAIRY PRODUCTS

HISTORICAL OUTLINE

The United Kingdom, though not as large a consumer of dairy products on a per capita basis as some other countries including Canada, yet in the aggregate uses very large quantities.

Roughly speaking, both north and south of the West of England, is typical dairy country. Here from early times milk and milk products have been produced in considerable quantities. In early days difficulties of transportation prevented the farmer from selling very much of his milk in a liquid state; consequently, he used to make large quantities into butter and particularly cheese. With the development of transportation and the growth of large centres of population, the farmer found that he could sell far larger quantities of fresh milk. Consequently, the production of butter and cheese declined, and the United Kingdom started to import dairy products.

In 1840, 226,000 cwt. (112 lb.) of cheese were imported. The amount increased steadily, until by the end of the century the figure was over ten times as large. For the last ten years the average annual imports amounted to about 3,000,000 cwt., though there was a decline from this level in 1935 and 1936.

Imports of butter have increased very rapidly since the War. For the first fourteen years of the century about 4,000,000 cwt. were imported annually. In 1926 the figure was 5,819,000 cwt., and steady increases each year brought it past the six million mark in 1928, the eight million mark in 1931, and in 1934 the imports were 9,695,000 cwt. They have remained at approximately this level for the last two years.

As Canada is obviously not interested in the supply of fluid milk, and at the present time has little opportunity to export either butter or condensed milk to the United Kingdom, this chapter is mainly concerned with cheese.

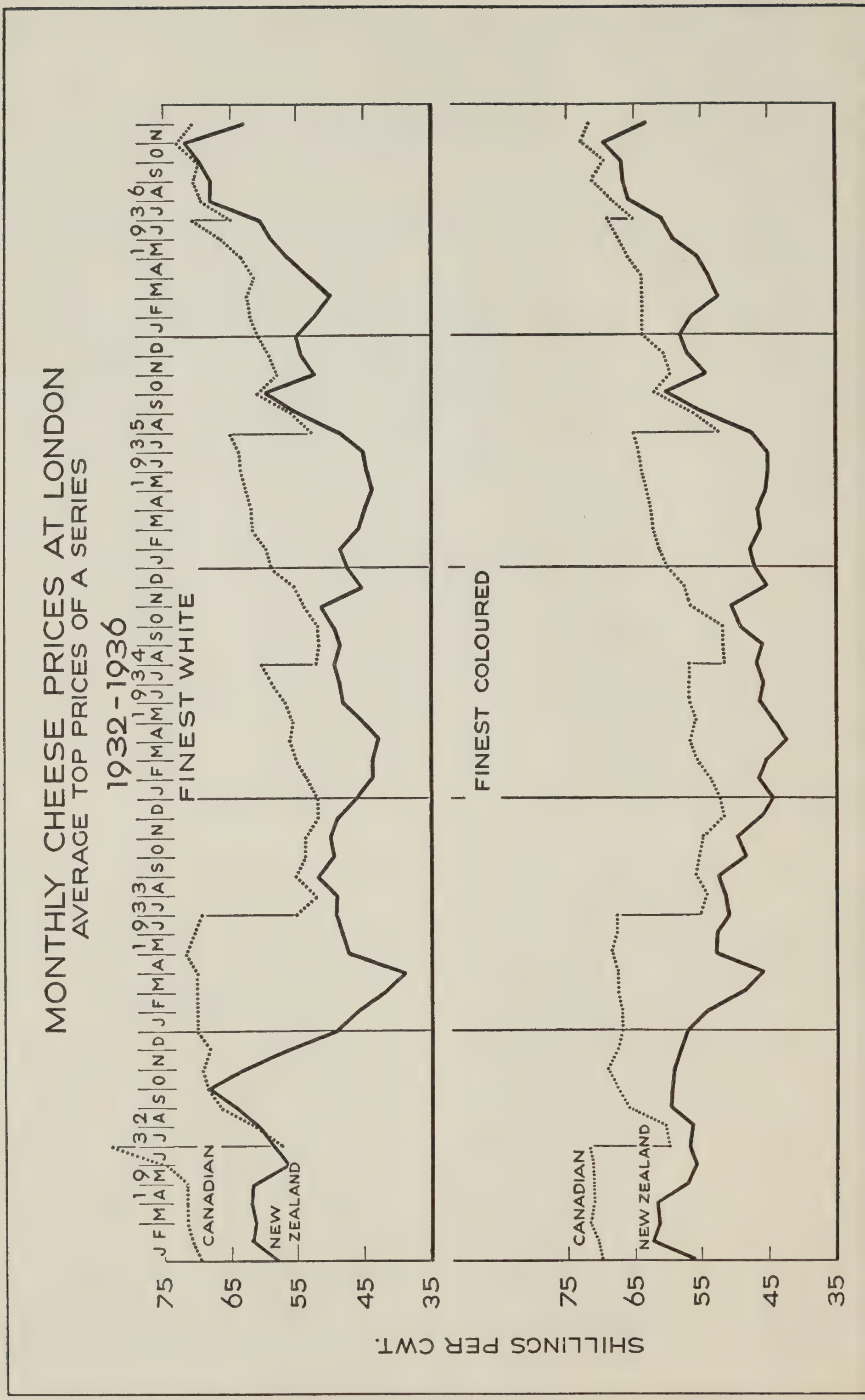
Cheese

Before the Great War, Canada exported more cheese to the United Kingdom than any other country, but in recent years New Zealand has occupied the leading position. During the last ten years approximately two-thirds of the cheese imported by the United Kingdom has come from that country. The Canadian figures since 1928 have ranged between 469,000 cwt. (1935) and 747,000 (1932). The third exporting country, the Netherlands, comes some way behind, and only a small proportion of the cheese imported from the Netherlands is of the type produced in Canada.

The following table, which shows the differential in price between Canadian and New Zealand cheese, (i.e. the amount in cents per pound, by which the Canadian is higher), may be of interest.

	Cents Per lb.
1932	1·48
1933	2·18
1934	2·09
1935	2·54
1936	1·53

Though the price differential between Canadian and New Zealand cheese was lower in 1936 than in any previous year shown since 1932, yet there is no indication from these figures that there is any general tendency for the spread to


MONTHLY CHEESE PRICES AT LONDON
AVERAGE TOP PRICES OF A SERIES
1932-1936
FINEST WHITE
FINEST COLOURED
1932
1933
1934
1935
1936
J F M A M J J A S O N D
CANADIAN
NEW ZEALAND
SHILLINGS PER CWT.
75
65
55
45
35

become narrower; in fact, the chart showing the monthly change in prices suggests that the price of New Zealand cheese was unduly high during the last six months of 1936. On the other hand, it is generally admitted that the quality of New Zealand cheese has improved within the last two years.

The Milk Marketing Board

The whole aspect of the marketing of dairy produce in the United Kingdom has been changed within the last three years by the establishment of the Milk Marketing Board.

Up till about 1930 there had been only a very small differential in the prices paid to producers for liquid milk and for milk used for manufacturing purposes. At that date, however, the gap widened considerably until the Government were compelled to take steps. In January 1933 a Reorganization Commission appointed in April, 1932, under the Chairmanship of Sir Edward Grigg, presented its report. The English scheme came into operation on October 6, 1933.

Most of the details of the scheme (and of the three Scottish Boards) are of no concern here, but broadly the purpose of all the Boards is to obtain the maximum price for the producer. The most important step, therefore, is to sell as much as possible as liquid milk. The next most important channels are, in order: cream, condensed milk, cheese and butter. The Boards do all they can to divert the use of milk into these channels. In this they receive considerable amounts of Government assistance and grants.

The first step was to encourage the consumption of liquid milk. This has been done by (1) a publicity campaign to which producers, purchasers and the Government have contributed, (2) a Government subsidy to enable milk to be sold to schools, to babies and expectant mothers, etc., at a reduced price, (3) the establishment of milk bars, of which 700 are now in existence and of which the numbers are increasing daily.

The production of condensed milk has been encouraged by limiting imports by quota and by inducing factories to produce condensed milk rather than, for instance, butter. The production of cheese has been fostered by subsidising its production on the farm by Government advances and by payments from the general funds of the Milk Boards.

The consumption of liquid milk has risen from about 44,000,000 gallons monthly to a level of 50,000,000 gallons, and this rise has been steady and will probably continue. In 1924 the production of farm cheese in England was computed at about 500,000 cwt. but when the scheme began, the figure had fallen to only about one-fifth of this. The last three years production has increased steadily with the assistance given; the figures were as follows, (years ending September):—

		Cwt.
1934-35		125,048
1935-36		158,536
1936-37	(partly estimated)	178,571

On the other hand, the production of hard cheese in factories was only 187,000 cwt. in 1924. In 1934-35 it was 815,984 cwt., though the output was lower in the two following years (558,036 cwt. in 1936-37). The production of condensed milk rose from 2,065,000 cwt. in 1934-35 to 2,278,000 cwt. in 1935-36, and to 2,434,000 cwt. in 1936-37. It is generally reported that while the quality of the cheddar cheese produced in the United Kingdom has been improved during the last two years, it is yet far from being equal to that of Canadian cheese.

It seems probable that a Board of some kind will be permanent, though it is quite possible that future Boards will not be entirely run by producer interests. In any event, the consumption of liquid milk is likely to continue to increase, and

as British experts do not believe that the production of milk in the United Kingdom will increase appreciably there is obviously an avenue left for the imports of manufactured dairy products.

(A) CHEESE

Market Conditions

The percentage of total exports of cheese from Canada to the United Kingdom and Northern Ireland during 1936, as received at different ports, was as follows:—

Port	Per Cent of total imports
London	58·53
Liverpool	11·00
Bristol and Avonmouth	8·26
Newcastle	3·79
Cardiff	3·71
Glasgow	3·16
Manchester	2·94
Leith	2·89
Aberdeen	1·59
Hull	1·49
Belfast	1·36
Swansea	0·86
Dundee	0·22
Southampton	0·16
Londonderry	0·04
	100·00

The quality of Canadian cheese is generally held in uniformly high regard by importers, wholesalers, and retailers in the United Kingdom, and the only complaint made by those interviewed was that some Canadian cheese made during the summer months and held for maturing, developed soft ends with resultant wastage. With this exception, those interviewed spoke in highest terms of the quality of these cheese.

It has been generally known in Canada for many years that a strong prejudice exists in the minds of United Kingdom dealers against Canadian cheese produced in October and November, and to a lesser extent to cheese produced in May. It is generally claimed by those in the trade that these cheese do not mature properly, and it should be noted that by this it is not meant that the cheese do not " break down " normally but rather that they do not develop a characteristic cheddar cheese flavour.

As cheese made in May almost invariably go promptly into consumption, the criticism of it is not as serious as that with reference to cheese produced during October and November.

It is gratifying that the efforts of Canadian makers and exporters to correct this condition with reference to cheese made during October and November 1935 and 1936 are showing results. Several instances of October and November, 1936 cheese having been held until July, 1937, and developing the characteristic cheddar cheese flavour were reported. Continued effort on the part of Canadian makers and exporters in this direction will, no doubt, be reflected in improved prices for cheese made during these months. The prejudice regarding these cheese, however, is so deeply rooted that, even with the best efforts that can be made in Canada, considerable time will probably be required to remove it.

Canadian cheese are probably, to a lesser extent than the New Zealand product, sold in the United Kingdom on a basis of the grade certificate. For this there are several reasons. The New Zealand product, having usually been made from pasteurized milk, may be more uniform than the Canadian product. Also, there may be, and frequently are, slight differences in type between different lots of cheese within the same grade, and the buyer naturally may wish

to determine for himself how the quality will suit his particular trade. This is particularly true with reference to cheese purchased after several months maturing, and the trade in the matured product is, in so far as imported cheese of the cheddar type are concerned, confined almost, if not entirely, to the Canadian product.

In any case there is no complaint as to the accuracy of the grading of cheese in Canada, and that it should have been accepted so fully, considering that the grading has in the past been done so soon after the cheese have been made, is rather remarkable. During 1923, the first year of compulsory grading in Canada, 22 per cent of the cheese graded were lower than first grade as compared with 4·48 per cent during 1936.

Apart from one importer, no complaint was expressed as to breakage of boxes. Some boxes are, of course, broken which is unavoidable, but breakage is now much less than it was before boxes were wired. Dealers, of course, would prefer to have all boxes unbroken, but all stated they would pay no more for cheese in boxes of which none were broken. In this connection it may be noted that the English and Scotch farm cheddar cheese are, and always have been, shipped and handled without any boxes, and these cheese almost invariably command higher prices than the Canadian product.

The Canadian box is a distinctive package as cheese from no other source is similarly packaged. Cheese from other sources than Canada are packed in crates, usually two to a crate, although cheese from some sources (notably Ireland) are packed in single crates. Canada's distinctive box leaves no doubt as to the origin of the product and prevents substitution of any other product for Canadian—at least in so far as whole cheese delivered to the retailer are concerned.

While opinions of dealers differ, the majority state that the sale of mature cheese is increasing, and this is particularly true of the London, Bristol, and Cardiff areas where Canadian cheese has widest distribution. (See percentage table above.)

The trade in mature cheese is almost entirely in Canadian and, while it is impossible to determine accurately the volume of Canadian cheese which is matured, it appears to be approximately 25 per cent of the quantity imported.

The sale of pasteurized processed cheese in packages is an important trade in the United Kingdom and Northern Ireland. In some areas (particularly in the Belfast area) this variety has largely supplanted ordinary cheddar cheese. Exact information as to the number of manufacturers of processed cheese, or of the quantity manufactured, is not available, but it is stated that the number of brands on the market is in excess of 100.

This product is usually sold in packages containing a number of small individual portions. The packages are usually broken by the retailer and the customer may purchase one individual portion. The cost of the product to the consumer is usually well up to fifty cents per pound, which is just about double the price of mature Canadian cheddar cheese.

When it is considered that the pasteurized packaged product usually contains from ten to fifteen per cent more water than cheddar cheese, one realizes what expensive food processed cheese really is. Opinions differ as to whether this cheese can retain its present popularity.

A most interesting and important aspect of this trade, as it affects the Canadian producer, is that most manufacturers of the processed variety consider that, to secure the desired flavour, they must use at least a considerable proportion of Canadian cheese and are, therefore, important buyers of the Canadian product.

Canada has two important advantages over competing countries in having almost to the complete exclusion of competing countries, the trade in mature cheese for the retail trade and for the manufacture of pasteurized processed cheese. There is little doubt that with continued attention to quality, Canadian producers can retain these advantages.

Competition

Statistics with reference to quantities of cheese produced in the United Kingdom are not available but the officials of the Milk Marketing Board of England and Wales report, as indicated previously, that during the year ending September, 1936, the quantities of hard cheese produced in the factories and on the farms were respectively 791,872 and 158,539 cwt. (112 pounds), or a total of 950,411 cwt., or 106,446,032 pounds.

The following table shows the quantities of cheese imported in 1936 into the United Kingdom and Northern Ireland from different countries and the percentage of the total imports supplied by each country:—

Country of origin	Lb.	Per cent of total
Australia	10,192,896	3·40
New Zealand	188,288,464	62·81
Canada	67,484,592	22·51
Other British	3,437,728	1·15
Netherlands	20,332,704	6·78
Switzerland	1,909,488	0·65
Italy	1,568,560	0·52
Other Foreign	6,552,336	2·18
Total	299,766,768	100·00

Imports during 1936 were the smallest during any year since 1922.

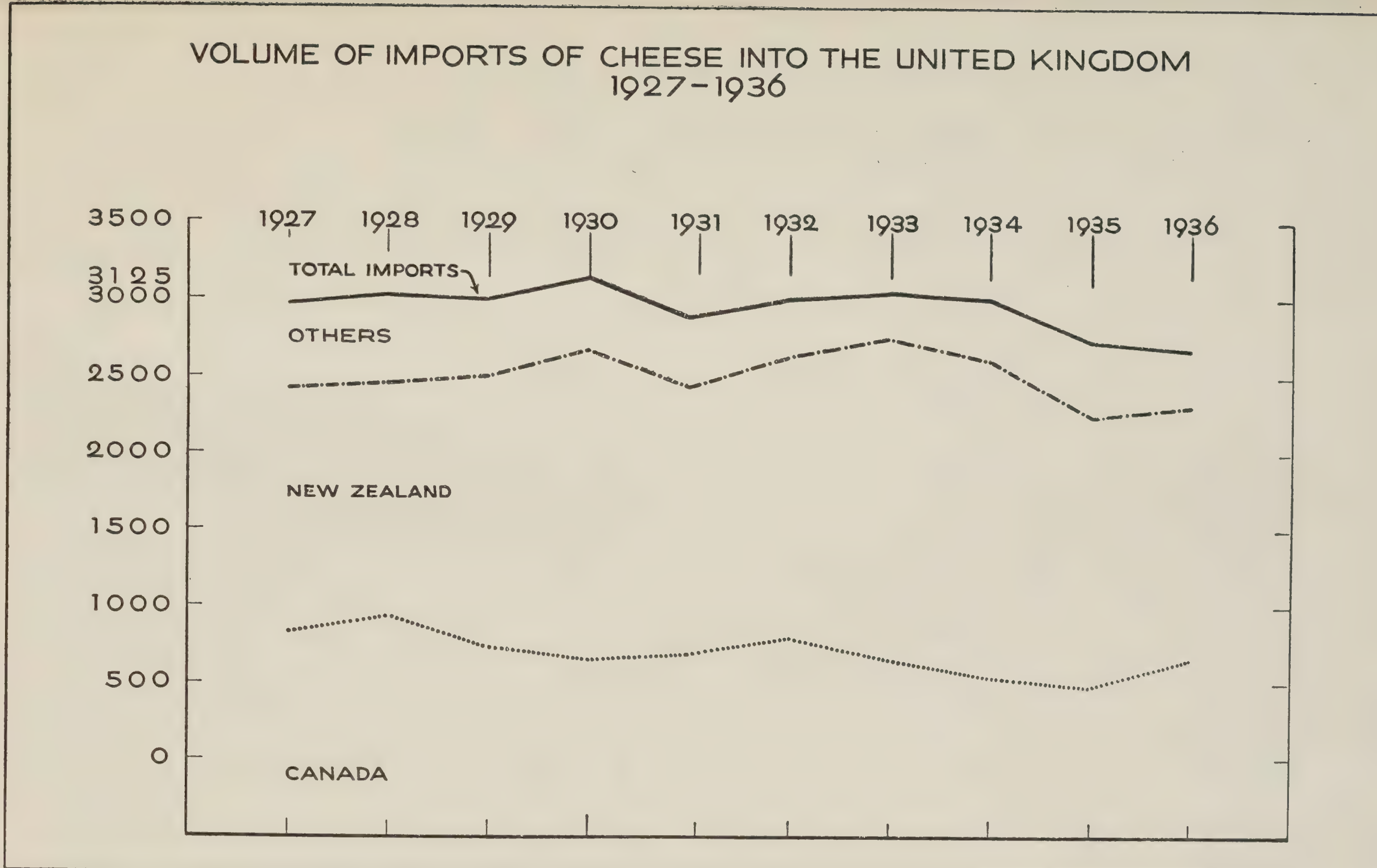
The cheese imported from British countries comprises 89·87 per cent of the total, and this cheese is practically all, if not entirely all, of the variety produced in Canada. The 10·13 per cent of the total, which originates in foreign countries, is practically all, but not entirely all, of other varieties such as Edam, Gouda, Roquefort, Camembert, Gorgonzola, Parmesan, etc.; that is, Empire countries have practically a monopoly with respect to imports of the principal variety produced in those countries.

Imports from Australia to the United Kingdom increased from 5,361,440 pounds in 1930 to 15,035,888 pounds in 1935 and declined to 10,192,896 pounds in 1936. It is not probable that exports from Australia will increase greatly during the next several years.

Imports from New Zealand reached their peak at 234,309,600 pounds in 1934, since when there has been a decline each year to 188,288,464 pounds in 1936. New Zealand officials state that, while production during their statistical year ending July, 1937, will show an increase of approximately 5 per cent, it is not anticipated that there will be any considerable increase in production during the next few years.

Imports from Canada during 1935 amounted to only 52,565,072 pounds, the lowest during any year since 1932. They increased to 67,484,592 pounds in 1936 and will be still greater in 1937. Production of cheese in Canada during the six months ending June, 1937, was 15·3 per cent greater than during the same months of 1936.

The total supply of cheese available in the United Kingdom during 1936 from all sources (home production and imports) was 9,400,000 pounds less than during 1935. The advance in the average quotation of Canadian and New Zealand cheese in London during 1936, as compared with that of 1935, was



Volume = cwt. (000) of 112 lbs.

equivalent to 2·2 cents per pound and the average price during the first six months of 1937 was 1·85 cents per pound higher than that of the same period of 1936.

It is stated by some keen observers that *under present economic conditions* in the United Kingdom, the saturation point, if not already reached, has been almost reached, and that any considerable increase in total supply over that of 1936 will depress prices. It is expected that, owing to less production of milk in the United Kingdom during 1937, the quantity of cheese produced will be almost 24,000,000 pounds less than during 1936.

It appears, therefore, that even with the expected increases in imports from Canada and New Zealand, the total supply for 1937 requirements will not be materially greater than that of 1936.

Recommendations

Canada's success in marketing cheese in the United Kingdom depends on the quality of the product, and every possible effort should be made to improve the quality still further. Of the cheese graded in Canada during 1936 only 4·48 per cent were lower than first grade. It should be possible to reduce further the percentage of low-grade cheese, but it appears that Canadian producers must look more to improving quality through raising the average score. Minima scores for first grade are 39 points for flavour and 92 points total score. Of all cheese graded in 1936, 47·5 per cent reached scores of 40 or higher for flavour and total scores of 93 or higher. Canadian makers will, no doubt, continue to concentrate on endeavouring to raise the average score.

Continued effort should be put into the endeavour to improve the quality of cheese during October and November and to eliminate "soft ends" on cheese. Good progress in this direction has been made during the past ten years, and continuation and extension of the effort made during these years will remove, to a great extent, this source of loss to the milk producers.

Some boxes reach the retailer in a broken condition, but it appears that such are relatively few and it does not appear that any direct loss results therefrom. The condition is, however, not creditable and, while it would not appear at all advisable to change from the present type of package, steps should be taken to so strengthen the box as to materially reduce whatever breakage now occurs.

The present distribution and merchandising position in the United Kingdom is not entirely satisfactory. On more than one occasion we found Canadian cheese being offered for sale as an American product with the printed sign "American Cheese" above it. The storekeeper in question knew that it was Canadian cheese but was quite indifferent to the fact and stated that many of his customers knew it only as American cheese. Among scores of provision shops visited in all parts of Great Britain, it was the rare exception to find Canadian cheese sold as such. In other words, it was being sold simply as cheddar cheese or, in a good many cases, as an Empire product.

Its very close resemblance to the British home-cured cheddar means that it is comparatively easy for a shopkeeper, if he so desires, to substitute it for the home product. It is very apparent the consumer is not very familiar with and actually does not ask for Canadian cheese despite the fact that the agents, wholesalers and provision merchants generally are familiar with its origin and value.

In view of this unsatisfactory condition, it is felt that definite action should be taken to improve the merchandising of Canadian cheese. Although our boxes are distinctive, the ultimate consumer never sees them. Consequently, some method of identifying Canadian cheese in the retail shops seems advisable. The placing on cheese of a mark that cannot be removed is admittedly difficult, but, nevertheless, the possibility of devising a suitable mark should be explored. In any case, it would be possible to furnish shopkeepers who handle Canadian cheese with suitable labels for the product. This is a common practice in retail shops and one followed by other Empire countries.

(B) BUTTER

Market Conditions

Canada cannot at present be considered a factor in the butter supply of the United Kingdom, and no doubt a considerable portion of the butter that is imported from Canada is used by blenders and thus loses its identity. Yet many importers and dealers have a friendly interest in the Canadian product. Imports during 1936 are considered to have been more satisfactory from the standpoint of quality than imports of many years previous; and this improved standing has been due, in a large measure, to the lower and more uniform salt content, in addition to improved quality otherwise.

Competition

The quantities of butter imported into the United Kingdom from different countries during 1936, together with the percentage of the total contributed by each, were as follows:—

From	Lb.	Per cent of total
Irish Free State	52,446,464	4·80
Union of South Africa	8,455,776	0·77
Australia	189,752,864	17·37
New Zealand	312,694,368	28·63
Canada	4,433,000	0·42
Other British countries	7,564,328	0·69
U.S.S.R. (Russia)	46,486,160	4·26
Finland	17,893,232	1·64
Estonia	13,028,848	1·19
Latvia	21,996,352	2·01
Lithuania	23,614,304	2·16
Sweden	16,737,616	1·53
Denmark	243,100,704	22·26
Poland	31,162,848	1·94
Netherlands	83,563,312	7·65
Argentine	15,963,136	1·46
Other foreign countries	13,335,504	1·22
Total	1,092,228,816	100·00

United Kingdom trade returns show no butter imported from Canada during 1930, since which year the maximum quantity has been 8,656,900 pounds (1931).

Recommendations

While it appears that Canada's exportable surplus of dairy products to the United Kingdom markets will be for many years in the form of cheese, yet, due to changes in the relative values of cheese and butter in Canada as well as to other influences, it may be necessary during some years to export surplus butter.

Butter makers should continue their efforts to improve the quality of the product, not only on account of the better prices which may be realized for the relatively small quantities which may be exported, but to a greater extent on account of the effect of the export value on the price of the much greater quantity marketed in Canada during periods of export movement.

(C) CONCENTRATED MILK

Market Conditions

The quality of Canadian concentrated milk is excellent, but the volume of imports into the United Kingdom is restricted by the agreement not to export during any calendar year more than was exported in 1932.

Imports of sweetened condensed milk from Canada declined sharply between 1932 and 1936, and imports of milk powder in 1937 have been much smaller than in 1936. Canada's interest has been chiefly in unsweetened condensed milk, and the volume of imports of this commodity in 1937 has been such that it now appears probable that exports from Canada during the latter half of this year must be curtailed if the quota is not to be exceeded.

A large portion of Canada's exports of dried milk consists of dried skim-milk, and the volume of this commodity that may be produced is limited by the market available, at remunerative prices, for sweet cream.

The disparity between prices of cheese and butter in Canada provides an effective limitation to the volume that may be produced.

Other developments during recent years have prevented Canada from being a more important factor in the import trade of concentrated milk products. One important international company has opened a branch in the United Kingdom from which its requirements are now supplied, and manufacturers in the United Kingdom have increased their capacities. As already stated, the Milk Marketing Board of England and Wales is encouraging the production of concentrated milks, and it does not appear probable that the United Kingdom will in the future draw greater quantities of these commodities from Canada.

Competition

The chief competitors for concentrated milk are the Netherlands, Denmark, Belgium and the Irish Free State. Imports, however, are so regulated by quotas that the competitive situation is abnormal.

The quantities of concentrated milk products imported from Canada and the total net imports (total imports less exports) during the calendar years 1932 and 1936, and during the six months ending June, 1937, were as follows:—

SWEETENED CONDENSED MILK

—	From Canada	Total (Net)
	cwt. (112 lb.)	cwt. (112 lb.)
1932	27,625	205,413
1936	2,760	89,347
Jan./June 1937	1,067	42,973

UNSWEETENED CONDENSED MILK

1932	66,301	394,578
1936	65,070	230,853
Jan./June 1937	40,817	124,458

MILK POWDER

1932	28,598	309,512
1936	23,122	239,405
Jan./June 1937	6,672	156,206

Recommendations

In view of the controlled market for these products in the United Kingdom we have no recommendations to make.

Nevertheless, a certain quantity of them is constantly being exported. This fact would seem to indicate that the quality of our product is satisfactory and, provided British control measures are modified, our export might assume considerably larger proportions.

CHAPTER VI

DRESSED POULTRY

Imports of dressed poultry into the United Kingdom increased annually between 1927 and 1931 from 505·7 thousand cwt. to 665·4 thousand cwt. Between 1931 and 1935 there were steady annual reductions, with the imports falling from 665·4 thousand cwt. to 422·5 thousand cwt. at which point (422·1) it remained for 1936. Actually, poultry imports were lower in 1936 than they had been since 1926.

Canada's share in these imports was 2·3 per cent in 1932; 2·1 per cent in 1933; 3·5 per cent in 1934; 5·1 per cent in 1935; and 5·1 per cent in 1936.

In 1933, for the first time, the imports of dressed poultry were split up into the major classes. Canada's share of the dressed turkey imports was 3·5 per cent in 1933; 2·6 per cent in 1934; 2·2 per cent in 1935; and 3·7 per cent in 1936. Canada's share of the dressed chicken imports (including fowl) was 0·5 per cent in 1933; 5·5 per cent in 1934; 9·2 per cent in 1935; and 7·0 per cent in 1936.

Consequently, Canada's share of the total imports, (though still a small percentage), and that for chickens and turkeys, has gained during the past four years while the import figures have been declining.

Home Production

Of the poultry consumed in the United Kingdom the greater part is home-produced and this proportion has increased during recent years at the expense of foreign shippers. One main reason given for the advance in home production of poultry is the increased breeding for egg production rather than the raising of poultry for food. Most of the increase has been in fowls and chickens.

Altogether the amount produced at home would appear to be about four-fifths of the total supplies consumed in the United Kingdom, but while home production accounts for the greater part of the chickens, ducks and geese, it comprises only about one-third of the turkeys.

Home-produced poultry in 1934 was estimated at 1,636,000 cwt. representing an increase of 65 per cent compared with ten years previously. Numbers of poultry recorded in June, 1935, and again in 1936 indicate that the output in 1936 was approximately 5 per cent below the 1934 level.

June, 1935, statistics on the number of poultry in Great Britain show 70,090,000, of which 65,910,000 were chickens, 2,738,500 were ducks, 670,200 were geese, and 772,000 were turkeys. The June, 1936, count shows a slightly smaller number at 69,566,000, of which 62,256,000 were chickens, 2,825,000 were ducks, 656,000 were geese and 829,000 were turkeys. In 1926 available statistics show a poultry population of 66,142,000, of which 61,583,000 were chickens and other fowl.

Since there is a definite inclination on the part of the British consumer to prefer home-produced poultry, and since the home-produced product occupies so large a place (four-fifths) in the poultry produced for consumption, it is suggested that the condition of the home producer and his product should be further considered.

Specialization and standardization in the production of poultry in the United Kingdom, though long followed in certain localities, is not generally practised. The "Surrey" fowl, produced mostly in Sussex, Kent and Surrey, is one specialized area product which goes mainly to London, while Northern Ireland practices have been largely on the American plan of fattening, killing, plucking and packing birds on a large scale, and facilities for cold storage are used.

Later years have seen much progress in the preparation of fowl for market, but the product is still unsatisfactory. In other parts of the United Kingdom, apart from the two mentioned, the great bulk of the poultry sent to market goes direct from the country farms. The birds thus lack type and uniformity and the supply is irregular. Actually, the great bulk of the table fowls reaching the market are the by-product of egg-production.

British National Mark Scheme

In an attempt to meet the needs of the market for poultry the National Mark scheme for poultry was instituted a few years ago. The development of it has been slow, and although the supplies handled by the National Mark packing stations have increased year by year, they still handle a very small proportion of the total poultry output. The grading question has given trouble through lack of capable graders, so that the full effect of standardization has not been gained. The lines followed are believed in some sections to be sound, however, and indicate the best method of supplying the standard product required.

Competing Countries

While but one-fifth of the total of dressed poultry supplies comes from outside the United Kingdom, it is perhaps well to see from what countries the imports come. Some twenty-six countries in all ship varying amounts to the United Kingdom market.

The Irish Free State has been a consistent shipper if a somewhat erratic one, reaching a low point of 102 thousand cwt. in 1933 and then increasing to 138·5 thousand cwt. in 1934, when she immediately dropped back to 105 thousand cwt. in 1935 and to 104 thousand cwt. in 1936.

Hungary has been a heavy shipper from 1931 onwards and holds first place over the Irish Free State as a source of supply at present, but only by a small margin. Her exports have been declining during the past few years from a high point of 171 thousand cwt. in 1933 to 105 thousand cwt. in 1936.

Yugoslavia holds third place in the United Kingdom market for dressed poultry supplies with 67 thousand cwt. exported in 1936, which was 5 thousand cwt. less than in 1935 but 11 thousand cwt. more than in 1934. Previous years' exports were much less, so that it may be taken that Yugoslavia has been increasing in importance as a source of supplies in recent years only.

Poland entered the list of dressed poultry suppliers in 1931 and has advanced from a minor position with 6·8 thousand cwt. to a much more important one with 30·8 thousand cwt. in 1936.

U.S.S.R. (Russia) has been failing rapidly as a source of dressed poultry. In 1931 she shipped 181·3 thousand cwt. to the United Kingdom, but exports declined to 116·5 thousand the next year and in 1936 they were only 17·5 thousand cwt. The Netherlands, too, has dropped from the 1931 position of 38·5 thousand cwt. to a 1936 position of 6·2 cwt. Lithuania has shown signs of increasing her exports during the past three years, standing in 1936 at 10·2 thousand cwt. Argentina has been a fairly steady shipper with about 19 thousand cwt. average each year for the past four years.

Chickens

Analysis of the dressed chicken imports alone (figures available only since 1933) show the Irish Free State at the top with 48 and 52 thousand cwt. in 1935 and 1936, respectively, exported to the United Kingdom. Hungary was second with 46 and 43 thousand cwt., respectively, in 1935 and 1936. Poland stood third and Russia fourth.

Canada increased her exports of chicken from 1,000 cwt. in 1933 to 8,000 cwt. in 1934, to 14,000 in 1935, and shipped 12,000 cwt. in 1936.

Turkeys

The dressed turkey imports alone amount to about 22,000 cwt. a year. Canada had 8,000 cwt. of this in 1936, 5,000 cwt. in 1935, 7,000 cwt. in 1934, and 9,000 cwt. in 1933.

Yugoslavia stood first with 57,000 cwt. in 1936, Hungary second with 47,000 cwt., Irish Free State third with 45,000 cwt. Poland shipped 7,000 cwt., the largest amount she has shipped in recent years, while Argentina shipped 15,000 cwt. of turkeys in each of the last two years.

Other competitors ship comparatively small amounts. There are, however, some twenty countries in all supplying the British market with dressed turkeys, with none showing an inclination to expand their trade at the moment, unless it be Poland and Lithuania, now shippers on or about the same scale as Canada.

There is, undoubtedly, a definite place on the British market for Canadian dressed poultry. Certain criticism was encountered, but in the main the Canadian product was acceptable to the trade and is definitely in demand. Canada's best grades compare favourably with any others on the market and the business has tremendous possibilities provided we seriously undertake to correct certain practices now too common in the trade.

Recommendations

1. More careful and accurate grading is imperative. In fact, this is much more important than anything else and if well done will create a favourable reaction immediately.

2. Give careful consideration to the elimination of some of our grade names. There are definitely too many.

3. Give consideration to the adoption of an outstanding label or "National Mark" to be used only on produce which can qualify for the same.

4. Improve our containers. They must be uniform in both size and material. Holland and Hungary use a better grade of wood in their boxes which greatly enhances the appearance of their pack.

5. Enforce uniformity in stencilling both as to size of wording and where located on the box.

6. The lower grade (C) probably should not be exported, although this is a debatable point. At any rate if it is to be exported, very close supervision as to its quality must be given.

7. The trade generally recommends that all Canadian poultry intended for the British market should be frozen. The shipping of "chilled" poultry to this market is hazardous, and for the present or until some of the hazards are eliminated, the frozen pack is likely to be preferred.

8. The shaped squat pack is preferred on this market. At present many different kinds of pack are being used. More uniformity in this regard is needed.

9. The higher grades of Canadian chickens are undoubtedly equal or superior to any others to be found on Smithfield market with the possible exception of the best Surrey types. The same is true, even to a greater extent, of Canadian turkeys. These are generally acknowledged to be the best turkeys to be found on the London market. It appears that some directed effort to acquaint the consumer with these facts would be likely to result in higher values being obtained.

In view of these findings, and because of the importance of the export trade in poultry to Canada, we are convinced that greater efforts should be made toward this end in order that the possibilities in this business be properly developed.

CHAPTER VII

EGGS

Home production of eggs in the United Kingdom has just about doubled during the past ten years, and at the same time, the average yield per bird has been estimated to have increased from 100 to 120 eggs per annum between 1924 and 1930 and is still rising. The home produced supply for the United Kingdom was estimated at 2,597 million eggs in 1924, at 3,894 million in 1930 and at 4,729 million in 1933, an increase of 82 per cent over 1924. Further increase was recorded in 1934 when home supplies reached a peak of just under 4,800 million eggs. In 1935 the estimate was 4,620 million, and in 1936, 4,500 million eggs.

On this basis of production home supplies accounted for about three-fifths of the total consumption in 1936, or 38 eggs out of every 62 consumed.

As noted in the discussion on dressed poultry the expansion in poultry raising has been mainly for the production of eggs in the United Kingdom. Records show that the barnyard flocks and the casual methods of attending to them are much less common than they were ten years ago. In their place are larger and better managed flocks that often form separate departments of the farm. It is to be expected that for some years, however, it is from the general farmer that the bulk of the eggs will come.

Furthermore, the increase in the number of birds kept on farms in the United Kingdom up to 1935 at least, has been general all over the country, although there have been appreciable differences in the degree of expansion in individual sections or districts.

Causes for the increase, which may be permanent, will give first place to the monetary returns which were so satisfactory in the early years of the poultry boom. Further, the additional work and care necessary to tend the poultry was frequently supplied by the farmer's wife and family, with the result that labour costs did not always rise in proportion to the increase in the flock. While poultry keeping has not always been profitable since the post-war period, it has returned profits that have been regularly higher than those from other branches of agriculture. Egg production provided a regular cash income and the comparative ease with which it could be taken up with little capital attracted many farmers to poultry keeping.

Present Market Conditions

This brief description of the increase in home production and the hold poultry keeping has taken on the United Kingdom will explain in part the severe contraction which has taken place in recent years in international trade in eggs. Total exports from 31 countries fell by one-third between 1931 and 1935. There was a recovery in 1936 when the quantity exported, as revealed by preliminary figures, was 10 per cent greater than in 1935, but still 27 per cent below the 1931 figure.

Changes recorded in the movement of exports of eggs show that Denmark has displaced the Netherlands as the world's largest exporter. The recovery in 1936 was due primarily, it is stated, to a continued advance in Danish supplies, but also to a reversal in the downward trend in the case of some of the sources of supplies, particularly the Netherlands, Central Europe and China. Reference to the table of imports to the United Kingdom will show 1936 imports back to the 1931 level, or above it, from Denmark and the Netherlands, with China maintaining a fairly steady amount. Supplies imported in 1936 were 33 per cent greater in Great Britain than in 1935.

Egg prices in 1935 experienced a slight recovery from the previous decline and a further advance occurred in 1936. Also there is a pronounced seasonal variation in the price of eggs, as is to be expected with the fall months showing a decided rise, invariably, of as much as twelve to fifteen shillings per great hundred* for top grade Danish and English eggs. Bearing directly on the question too is the fact that consumption reached 159 eggs per head in 1936 compared with 150 in 1935 and 111 in 1924.

National Mark Eggs

The output of eggs under the National Mark of England and Wales (the largest producers by far), has increased steadily since the inception of the scheme but showed a decline during 1936, when it was estimated at 419 millions as compared with 457 millions in 1935.

Competition

Approximately two-fifths of the eggs consumed in the United Kingdom are supplied from outside the country. Total imports reached 24,653·2 thousand great hundreds in 1936, the largest they have been since 1931 but still considerably below that year's figure. Almost forty countries ship eggs to the United Kingdom market.

Denmark is by far the greatest source of egg imports, a position she has maintained steadily ever since the War. Her exports have averaged close to 6,500 thousand great hundreds since 1931 and over 5,500 thousand great hundreds in the four years preceding that period.

The Netherlands have risen rapidly in the last three years to occupy second place in quantity of eggs exported to the United Kingdom in 1936. She increased her shipments from 944 thousand great hundreds in 1934 to 2,678 in 1935 and to 3,800 thousand great hundreds in 1936. Hitherto the Irish Free State had been in second place with a very consistent record of shipments up to 1931. They dropped, however, from around 4,500 thousand great hundreds to 3,500 thousand great hundreds in 1933 and to 2,500 thousand great hundreds in 1936. On the other hand, Poland has been consistently increasing her shipments since 1933, to equal the Irish Free State in 1936. This return of Poland puts her back to about the position she occupied between 1927 and 1931.

Other countries which have made increased shipments in very recent years are Roumania, Belgium, Lithuania and Argentina.

Empire countries supplied 4,712 thousand great hundreds in 1936 out of the total imports of 24,653 thousand great hundreds. Canada's share in this was 103·3 thousand great hundreds; the Irish Free State, 2,563 thousand great hundreds; Australia's share, 1,635 thousand great hundreds; New Zealand's share 34 thousand great hundreds; South Africa's, 372 thousand great hundreds and other Empire countries, 5 thousand great hundreds.

Canadian eggs are ordinarily sold as " cold storage " and there is no doubt that much larger quantities can be sold in the United Kingdom market if they are available. As far as distance is concerned, Canada should be able to compete with South Africa in the shipment of fresh eggs, but the latter's peak production period is the opposite to the peak production period in Britain, whereas Canada's is the same. This is probably the main reason why Canada's surplus eggs are placed in storage for shipment at a later date and also why South Africa markets hers while fresh.

Recommendations

1. Canada's eggs are not only sold as a cold storage product, but because of our method of grading, are classified as " Grade B " Storage. This brands them, in the eyes of the trade, as a second grade product. In view of the fact that they

* A great hundred = 120 eggs.

are the only eggs sent from Canada and are at the same time a high grade product (being equal to any, and superior to most storage eggs from other countries) careful consideration should be given to the establishment of an export grade indicating that they are first rather than second class.

2. The majority of Canadian eggs are shipped in crates bearing attractive labels such as " Canadian eggs " but each egg within the case bears the stamp " Empire." By this method of marking, Canadian eggs are automatically placed in the same category as eggs from all other parts of the Empire, such as Australia or New Zealand which are frequently inferior to the Canadian product. If there is any merit in placing a Canadian label on the crate or package (and we believe there is), it would appear that there is infinitely more reason for marking the egg with a Canadian, rather than an Empire label.

3. Only heavy export-type crates should be used in the export trade, even wiring of domestic crates is not satisfactory.

4. The " Mapes " type combined fillers should be used in order to eliminate breakages.

5. Further investigational work should be carried on (possibly by the National Research Council) in connection with temperature and humidity control during periods of storage and transportation of the product with a view to the elimination of losses due to moulds, spots, etc.

CHAPTER VIII

CANNED FRUIT AND VEGETABLES

Prejudice against canned goods in the United Kingdom has died hard. Even in recent years they have been looked upon with some suspicion, and there are still some people who will never use them. In the main, however, the prejudice has been overcome, and there is the tendency toward a more general use of canned goods as a staple article of diet, especially with the labouring and middle classes.

(A) FRUIT

The years before the War saw a gradual increase in imports of canned fruit. In 1900-1904 the average annual imports of canned fruit (i.e. preserved with added sugar) of all kinds were only 300,000 cwt.; in 1905-1909 this had risen to 417,000; and in 1910-1914 to 534,000 cwt. The War resulted in a large increase, so that the corresponding figure for 1920-1924 was 1,500,000 cwt. In 1935 the volume of imports was more than twice this quantity; 3,689,000 cwt. were imported, the most important being, in order: peaches, pineapples, pears, fruit salad and apricots. The development of the canning industry in the United Kingdom during the last few years has resulted in placing on the market considerable quantities of the domestic product.

(B) VEGETABLES

The same conditions applied also to canned vegetables. From 1909-1913 the average annual imports were only 427,500 cwt., though there was a steady rise from 376,000 cwt. in 1909 to 488,900 cwt. in 1913. Of the total imports two-thirds came from Italy.

The corresponding figure for the last five years is twice the 1909-1913 average. Between 1931 and 1934 the volume of imports ranged between 825,000 and 931,000 cwt. In 1935 as much as 1,057,000 cwt. were imported, but this was probably due to the fact that trouble in Abyssinia and Spain was expected. Imports in 1936 dropped to only 652,000 in consequence; i.e., in these two years the average annual imports were 880,000 cwt.—just slightly more than the two previous year's figures.

Pre-war statistics did not show the different varieties separately, but the recent figures indicate that canned tomatoes usually comprise at least 90 per cent of the total volume in a normal year. Canned peas, the only other variety shown separately, account for less than 2 per cent of the imports.

The origin of these imports is almost entirely in non-Empire countries. Before the War the most important countries (in order of their importance) were Italy, France, Belgium and the United States of America. This is still true today, though in recent years a very large volume of tomatoes has been purchased from Spain. Belgium is still the largest supplier of vegetables other than tomatoes.

Canada's increasing share of the tomato business is shown in the chart and in the table in the Appendix. Her exports of tomatoes increased appreciably in 1935 and 1936. It is sometimes said that she failed to take advantage of the difficulty of importing Italian and Spanish tomatoes in these years, but when it is realized (as explained above) that British importers anticipated the difficulty by bringing in unusually large quantities in 1935, the charge is not so serious.

Market Conditions

Prospects for the sale of canned fruit and vegetables on the United Kingdom market are encouraging. There is an increasing demand in all districts for choice quality canned fruit and vegetables. In regard to canned fruits, with the exception of plums, strawberries, raspberries, gooseberries, red and black currants, and to a lesser extent cherries and loganberries, this demand must be supplied, in the main, by importation. Canada is in the position to supply only a comparatively small range of canned fruits in such quantity and on a basis of price which will be competitive on the United Kingdom markets. She is, however, in a favourable position to supply canned apples, and to a smaller extent, pears, peaches, loganberries and blueberries, and possibly raspberries and strawberries.

There is quite evidently an increasing demand for canned vegetables on the part of the United Kingdom consumers. The Canadian packers have an opportunity to share in the supplying of this demand, particularly in regard to tomatoes. During 1936, 556,000 cwt. (112 pound) of canned tomatoes were imported, of which Canada supplied 134,307 cwt.

There is also a very attractive market for tomato catsup, tomato juice, paste and puree. There are definite prospects for increased sales of canned asparagus, green and wax beans, beets, carrots and diced vegetables.

Competition

The American canners, realizing that Great Britain offered not only the greatest potential export market in the world for canned fruits and vegetables, but that she was also one of the most discriminating, proceeded to go after this business on the basis of quality, proper grading, and uniformity of fill. By uniformity of fill is meant a standardization, as nearly as possible, of the number of pieces in a given size can, say, of peaches, so that the buyer knows approximately the number of servings to be expected. Attention was given to the proper packaging of their products for export and to attractive labelling. The success of this policy is only too evident, for American canned goods hold first position in this market.

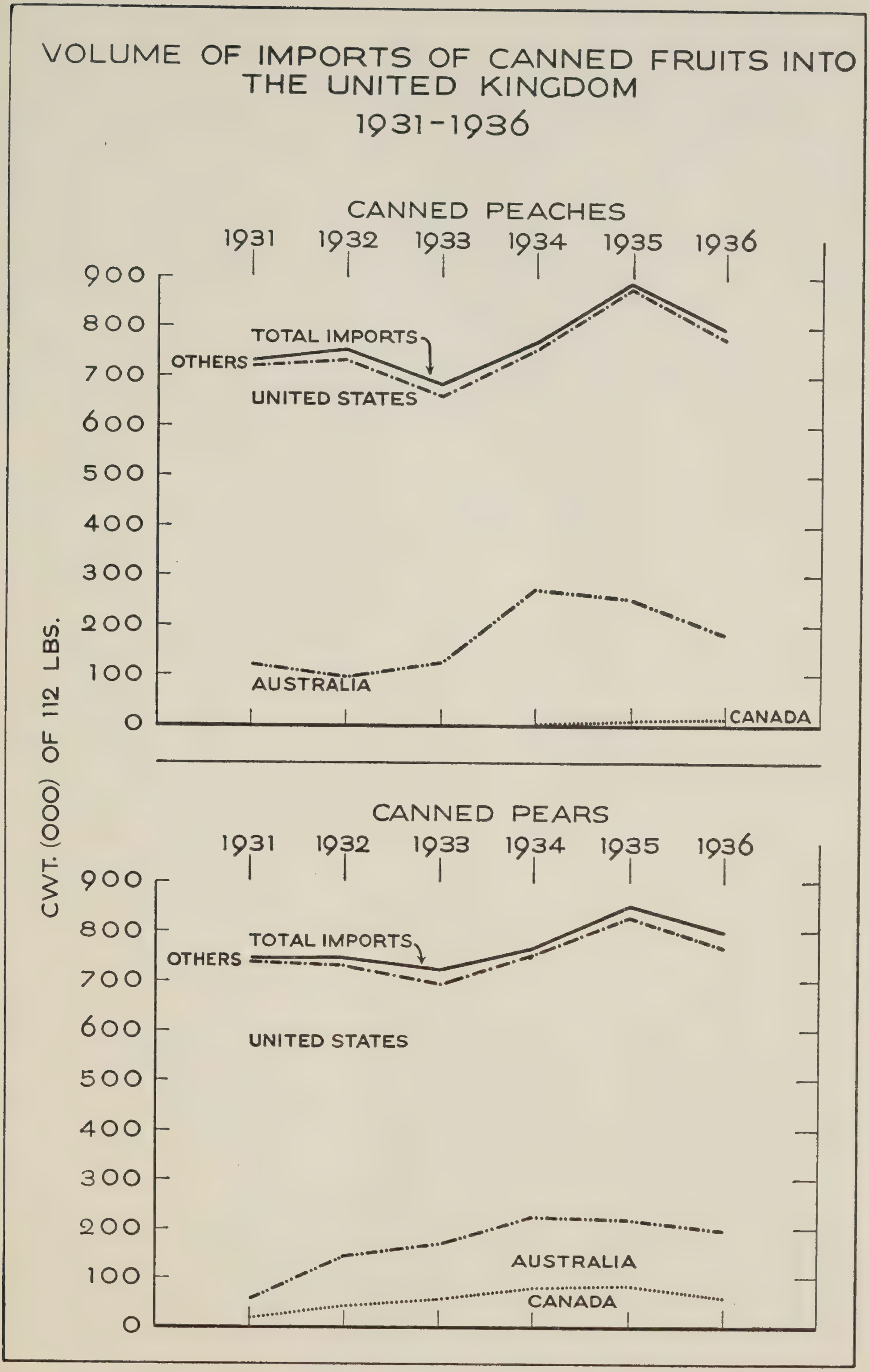
The Australian canners were late in realizing the necessity of proper grading and quality standards. They have, however, corrected this to a large extent during recent years, with the result that they are making steady progress in this market.

An important fruit and vegetable canning industry has developed in England. At the present time there are some eighty English canneries in operation, mostly fairly well equipped. Their combined output, particularly of canned vegetables, is large. In this connection it has not been possible to get exact data. The manager of one cannery visited estimated that they would pack 150,000 cases of peas. This company has another plant which will pack about 175,000 cases. The production of other canned vegetables, while on a fairly large scale, will not approximate that of peas. From the above it will be seen that the English canners are becoming an important factor on this market.

Italy and Spain have practically controlled the canned tomato market of Great Britain but their exports were reduced by about one-half in 1936.

CANNED PEARS

The United Kingdom markets absorb a very large quantity of imported canned pears, as will be seen from the appended chart. For instance, during 1936 the total imports of canned pears amounted to 797,000 cwt.; of this quantity only 56,676 cwt. originated in Canada. It is rather discouraging that the United Kingdom importers regard Canadian canned pears as a definitely inferior pack, and state that they are purchased on a price basis to meet the demand of a certain class of trade where price rather than quality is the essential.


VOLUME OF IMPORTS OF CANNED FRUITS INTO THE UNITED KINGDOM
1931-1936
CANNED PEACHES
1931
1932
1933
1934
1935
1936
900
800
700
600
500
400
300
200
100
0
TOTAL IMPORTS
OTHERS
UNITED STATES
AUSTRALIA
CANADA
CWT. (000) OF 112 LBS.
CANNED PEARS
1931
1932
1933
1934
1935
1936
900
800
700
600
500
400
300
200
100
0
TOTAL IMPORTS
OTHERS
UNITED STATES
AUSTRALIA
CANADA

It appears that the lack of uniformity in the grading of the Canadian pack is to a large extent responsible for this attitude. Tins of Canadian pears were cut and examined in several of the larger centres. Less than fifty per cent of the cans examined that were marked "Choice Quality" were graded "choice." Certain tins of Bartlett pears packed in Ontario and marked "Choice" were indifferently trimmed, not properly cored, and showed great variation in the number of halves per tin. This pack was decidedly *not* "choice." It is this disregard of proper grading and filling which destroyed the confidence of the United Kingdom buyers.

It is only fair to mention that certain tins of Bartlett pears packed in British Columbia and labelled "Choice Quality" were, in every respect, all that the words imply; the fruit was choice, trimming well done, and the coring left nothing to be desired. These British Columbia packed Bartletts were equal to or better than their Californian or Australian competitors.

Canadian-packed Keiffer pears, while sold in fair quantities in certain districts, are not highly regarded from a quality standpoint. However, they do meet the demand in districts where price is the main consideration.

CANNED APPLES

Solid pack apples in gallon cans are in good demand in the United Kingdom, by far the greatest quantity being imported from the United States. The Oregon pack enjoys the best reputation. This has been gained through appreciation on the part of the Oregon canners of the necessity for supplying a properly graded pack. Unfortunately, Canadian canners have so far failed to appreciate the necessity for proper maintenance of quality standards. In cutting and examining a considerable number of cans of Canadian solid pack apples labelled "Choice Quality," there was found to be a surprising variation in quality. Not over fifty per cent of the cans cut would grade "Choice." The fact that those cans which did grade choice compared favourably with the American pack was proof that Canadian solid pack canned apples can compete on the basis of quality. Unfortunately the designation "Choice" on many cans has no significance, in some instances these cans containing three varieties of apple. In others the trimming was poorly done and the fruit decidedly not above standard quality. Again, varieties such as "Stark," which were lacking in flavour and poor in colour, were marked "Choice." There is no reason why a much greater proportion of the total importation of canned apples into the United Kingdom should not originate in Canada, provided the Canadian product is properly graded as to standards of quality.

CANNED PEACHES

The United Kingdom imports annually approximately 800,000 cwt. of this commodity. The quantity imported from Canada was only about $1\frac{1}{2}$ per cent of this total in 1936. The great bulk of these imported peaches come from California, Australia and South Africa. In the main, the pack from the above-mentioned countries is of "Choice Quality." The fruit is firm, of good appearance, but lacking in flavour. On the other hand, the Canadian canned peach is of particularly good flavour but not as firm or clean-cut in appearance, this being due to the nature of the fruit. In most instances the cans of Canadian peaches cut and examined were well graded. The superior flavour of the Canadian pack will, undoubtedly, gain for them increased popularity. As the United Kingdom's consuming public becomes better acquainted with the superior flavour of the Canadian peach, sales of this commodity should increase.

CANNED CHERRIES, LOGANBERRIES AND BLUEBERRIES

Cherries are produced to a considerable extent in England; the greater proportion of the crop is used for canning and in the manufacture of jam. There is, however, a considerable quantity of Italian processed cherries imported. The Italian cherry is artificially coloured and is used to a large extent in fruit salads, etc. The importation into the United Kingdom of Canadian canned cherries has been comparatively small. There is, however, a growing appreciation of the quality and flavour of solid pack Canadian Montmorency cherries. As the preference in the United Kingdom is for a highly coloured fruit, it is well to bear in mind that the packer should artificially colour his pack.

Loganberries are produced in England in fairly large quantities, and a high percentage of these are packed by the United Kingdom canners. At the same time, there is a fairly large importation of canned loganberries from the Western United States and also from British Columbia. It is gratifying that the grading and packing of British Columbia loganberries has given thorough satisfaction to the importer. The British Columbia product is considered the finest of its kind and the demand is steadily increasing.

There is a good demand for bilberries (blueberries) in the Lancashire area, and last year about 450,000 pounds of this fruit was imported from Northern Europe. The Canadian bilberry (blueberry) is really a much superior fruit, and while the import into the United Kingdom of Canadian canned blueberries has been comparatively small, the possibilities for increased sales of canned blueberries on this market are attractive.

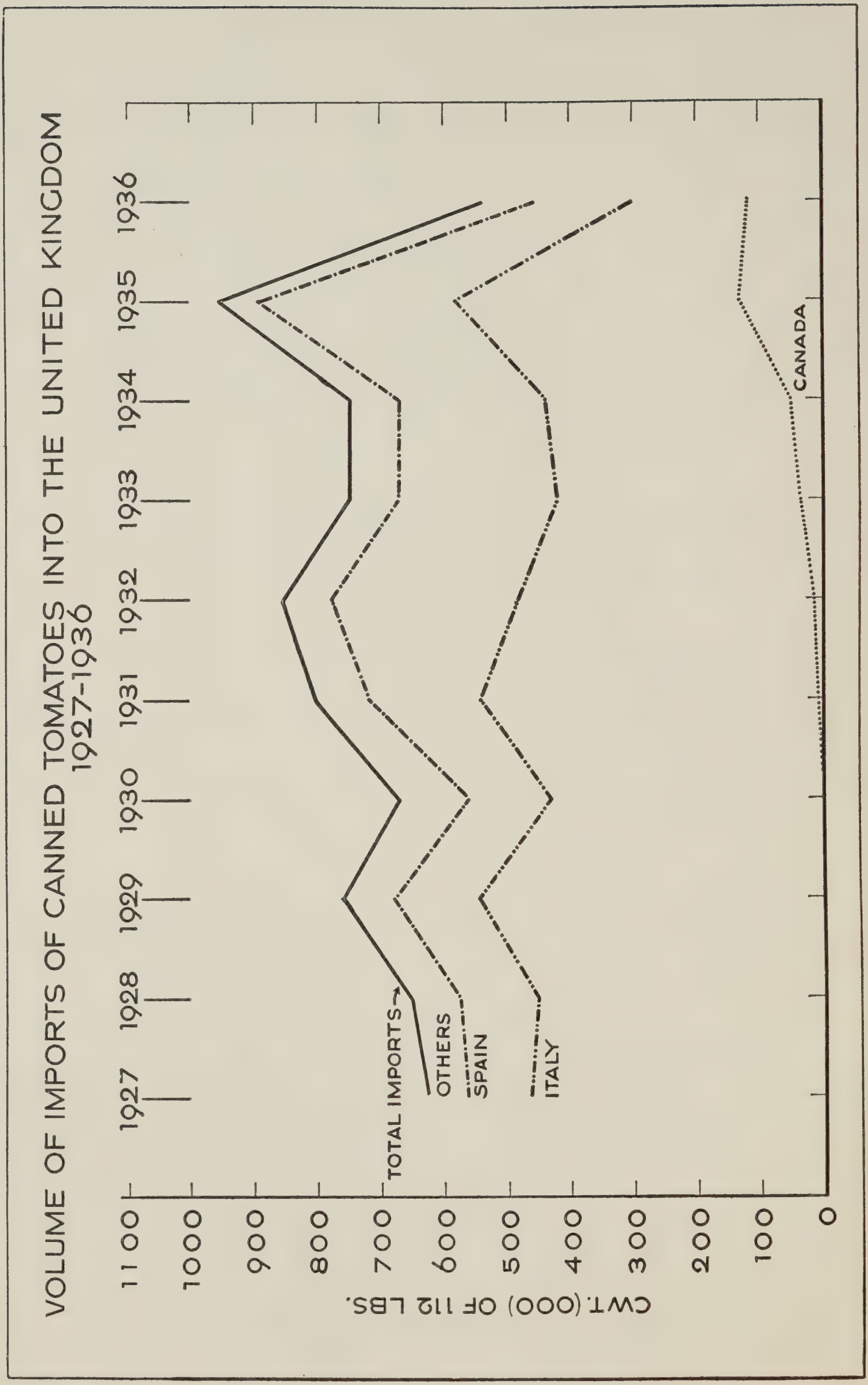
RASPBERRIES, STRAWBERRIES, RED AND BLACK CURRANTS AND PLUMS

These fruits are produced in considerable quantities in both England and Scotland and are used extensively in the manufacture of jams and for canning purposes. The prospect for the development of a large sale of these fruits by Canadian packers is not very bright. However, it should be always possible to place a fair quantity in the United Kingdom market provided the pack is choice and attractively labelled.

CANNED TOMATOES

The consumption of canned vegetables in the United Kingdom is increasing. The development of the vegetable canning industry in England has fairly well kept pace with this demand. This has not been so in the case of canned tomatoes, as climatic conditions in the United Kingdom make it impossible to produce tomatoes on a large commercial scale. The consumption of canned tomatoes has risen rapidly since 1918, and during the last five years has reached a volume which is double that from 1909 to 1914. This demand must be met by importation. Italy, Spain, and to a lesser extent France, Hungary, Russia, and the United States and Canada have been the countries of origin of practically all the canned tomatoes sold in the United Kingdom. The bulk of this business has always gone to Italy, with Spain gradually strengthening her position in this market.

Owing to a combination of circumstances, the Canadian packers of canned tomatoes have had an opportunity to establish their product in this market: first, through the imposition of a duty on canned vegetables of foreign origin; secondly, through the enforcement of League sanctions against Italy, and, since the discontinuance of these sanctions, the difficulties the Italian canners have experienced in obtaining tinplate; thirdly, the stoppage of all Spanish exports


VOLUME OF IMPORTS OF CANNED TOMATOES INTO THE UNITED KINGDOM
1927-1936
CWT. (000) OF 112 LBS.
1100
1000
900
800
700
600
500
400
300
200
100
0
1927
1928
1929
1930
1931
1932
1933
1934
1935
1936
TOTAL IMPORTS
OTHERS
SPAIN
ITALY
CANADA

of canned tomatoes owing to the civil war in that country. These conditions have been reflected in a large increase in the importation of Canadian canned tomatoes.

As both Italy and Spain are canning the plum-type tomatoes, the United Kingdom consumer has become accustomed to this type. It must be admitted that the plum-type lends itself to the production of a more solid pack as the fruit has not the same tendency to break down in processing, as is the case with the type of tomato grown in Canada. The most popular time and method of serving canned tomatoes in the English home is for breakfast, fried with bacon. The fact that the plum-type has the tendency to remain whole and comparatively firm makes it lend itself well to this purpose. There is, however, a very general admission on the part of both the United Kingdom distributor and consumer that the flavour of the usual Canadian-type canned tomato is superior to that of the Italian or Spanish. But there is a general complaint that the Canadian pack contains too little solids and, in most instances, practically no whole fruit. The lack of uniformity in quality of Canadian tomatoes labelled "Choice" is also criticized. It was claimed by some importers that the grade markings on Canadian canned tomatoes meant practically nothing. This complaint seems to have some justification judging by some sixty cans of Canadian tomatoes (size 2½ tins) that were cut and examined. Of these sixty cans, only a little over one-third graded "Choice Quality." Ten of these cans were a grade of very poor standard and the balance would grade good standard. These sixty cans consisted of a number of different brands, all labelled "Choice."

It was generally admitted that, while "Choice" quality Canadian tomatoes are not actually as solid a pack as the Italian or Spanish plum-type, yet their superior flavour and the proportion of whole fruit (if they really are "Choice") cause them to be well received by the United Kingdom consumer. There is no hope of gaining the support and confidence of the United Kingdom importer and consumer so long as the Canadian packer continues to label standard quality as "Choice."

It should be mentioned that samples of Canadian-packed plum-type tomatoes were examined. The cans were marked "Choice" and the quality was found to be "Choice," and equal to if not better than those of Italian or Spanish pack.

TOMATO CATSUP, TOMATO JUICE AND PUREE

The consumption of tomato catsup, puree and tomato juice in the United Kingdom is increasing steadily. The market for these products is becoming increasingly important to the Canadian packer.

CANNED VEGETABLES

Canadian canned asparagus (unbleached) is being well received in this market. Its distinctive flavour appeals to the United Kingdom consumer, and there is every prospect of an increasing demand for Canadian canned asparagus.

CANNED PEAS, BEETS, CARROTS AND SPINACH

While there is a distinct possibility of increasing sales of choice quality Canadian-pack peas, beets, beans, carrots and spinach, it must be borne in mind that the English canners are packing a very good quality pack of these vegetables. Naturally, their competition in this market is an important feature.

CANNED CORN

The English consumer is, in the main, unacquainted with this product. There is, however, a gradually expanding demand, and as canned corn becomes better known to the English consumer undoubtedly the importation of this product will greatly increase.

Recommendations

1. That grading standards as to quality of contents be rigidly enforced. This is of utmost importance, and, if well done, would, more than any other one thing immediately create a favourable impression on this market.

2. That more careful attention be given to the casing of canned goods. Several complaints were received that shipments have gone forward packed in light domestic cartons, instead of in proper export cartons or cases, and have arrived in bad condition.

3. That the Canadian packers of canned fruits and vegetables should give careful consideration to the use of more attractive labels.

4. That investigations now in progress in connection with improved varieties of tomatoes should be continued. The plum types as well as the corrugated kinds should be included in this investigation.

5. It was brought to our attention by importers that packs of canned apples contained several varieties in the same can. This is definitely bad practice and should be corrected.

6. It would appear that careful consideration should be given to the development of some distinctive mark, in order to identify Canadian canned products. This brand, or mark, would necessarily have to be very carefully guarded. For instance, it might be wise to limit, definitely, its use to certain standards or grades. We feel, however, that the proper identification of our goods is of the utmost importance.

CHAPTER IX

FRESH FRUIT

HISTORICAL OUTLINE

During the year 1936 the United Kingdom spent £24,642,000 (or about one hundred and twenty-five million dollars) on imported fruit. The most important item was oranges (£7,321,000) and apples came second (£5,644,000). As Canada is little concerned with any fresh fruit other than apples, this section is concerned with these.

The apple crop in any country is notoriously variable; it is therefore difficult to say what proportion of the amount consumed is supplied by the home producer. The domestic crop in the United Kingdom, however, is about twice what it was before the Great War, and is still growing. On the other hand, imports have increased equally as fast. In other words, the United Kingdom consumes about twice as many apples as before the Great War, and this is true of fruit generally.

It seems fairly safe to say that approximately 40 per cent of the apples used in an average year are home-grown. This would mean a production figure of about 5,000,000 cwt., while imports for the last ten years have averaged 6,600,000 cwt. annually. Except in 1931 and 1932 (when there were heavy shipments from France) more than 90 per cent of the imports were from three countries—Canada, Australia and the United States of America. In 1933-1935 the average was 2,700,000 cwt., but in 1936 the unusually large domestic crop resulted in a reduction to 1,960,000 cwts. compared with a figure from the United States of America of 1,564,000 cwt.

Market Conditions

Unfortunately this survey has been made at a time of the year when no Canadian apples are being marketed in the United Kingdom. It is almost impossible to forecast with any degree of accuracy the probable trend of marketing conditions during the coming marketing season. The factors entering into and affecting the marketing of Canadian apples in the United Kingdom are varied.

As the Canadian crop comes on the market at practically the same season as those of the United Kingdom and of the United States, the volume of these crops has a very definite bearing on the market conditions which the Canadian producer has to face. Broadly, the marketing of Canadian apples involves three distinct marketing problems. The Nova Scotia crop, owing to its comparative similarity in type to that of the United Kingdom, comes into keener competition with the English product than the products of either Ontario or British Columbia. Similarly the Ontario crop meets its keenest competition from the crops of Virginia and New York States, and the " box " apples of British Columbia from those of Washington and Oregon.

If this analysis is correct then, owing to the prospect of a light English crop, marketing conditions for Nova Scotian apples should be favourable during the coming season.

With regard to packaging, it is recommended that the use of the export hamper package for certain dessert varieties be thoroughly investigated as it appears that this type of package has possibilities. This recommendation is made to the shippers from the barrel provinces. The importance of the matter of "standards of quality" cannot be overstressed. If the Canadian apple producer is to retain the confidence of the United Kingdom importers, these standards must be rigidly observed. Complaints regarding the variation in the

grading of Canadian apples were without doubt in many cases well-founded. Unfortunately, one packer's No. 1 grade may be only on a par with another packer's Domestic grade. In other words, one packer takes no pride in his pack and endeavours to get by with the minimum required under the grade standards, whereas other packers try to deliver No. 1 grade fruit according to the spirit and intention of the grading regulations.

Greater care should be taken to assure that the top layer of apples in a barrel is a fair sample of the whole contents. The Canadian exporters should bear in mind that the United Kingdom market is highly competitive, and if they are to retain their standing with the importers and consumers, they must maintain a high standard of dependability in regard to grade standards.

It is well, also, to bear in mind the situation in regard to the production of apples in the United Kingdom. The planting of new acreage and also the scientific research being carried on at Long Ashton and East Malling are evidences of the increased interest in the United Kingdom in apple growing. The fact that the production of apples in the United Kingdom equals the total Canadian production and that every indication points to a greater volume of production in the future, only emphasizes the necessity for building up and maintaining a reputation for a high standard of grading in Canada.

From observations made during this survey, it would appear that the marketing of Canadian apples in the United Kingdom is proceeding on fairly sound lines through the established channels of trade.

Recommendations

1. From discussions with the trade in regard to barrel packs of Canadian apples, it would appear that shippers should give this question more careful consideration. More rigid enforcement of the grading regulations would undoubtedly tend to remove these complaints.

2. There appears to be a growing demand on the British market for apples packed in hampers. The use of these, or cartons, is worthy of careful investigation by exporters.

3. As it is evident that certain varieties of Canadian apples are of much greater value for export purposes than others, care should be taken that new plantings include only the best kinds. Generally speaking a more limited number of varieties would improve our position.

4. Because of the fact that Canadian and United States apples are harvested and arrive on the British markets at approximately the same time, the Canadian apples are frequently looked upon by the trade as American and are sometimes sold as such. As it is a generally accepted fact that a fruit produced in the more northerly sections of its habitat is superior to the same varieties grown farther south, it would appear that a case can be made for pushing the sale of Canadian apples on this basis. No national effort is being made to acquaint the British consumer with the outstanding qualities of Canadian apples. We are of the opinion that such an effort would bring results similar to those experienced by New Zealand and South Africa in marketing their fruit.

CHAPTER X

HONEY

HISTORICAL OUTLINE

Honey is the oldest condiment known, and before the discovery of sugar it was always used for sweetening purposes. In Great Britain, however, it has never been used as generally as on the Continent of Europe or in newer countries.

The explanation probably lies in the vagaries of the English climate. The sunshine in England is not consistent enough to produce a good honey crop, and its intensity varies enormously from year to year. Bee disease, moreover, has been very prevalent in the past; twenty-five years ago it was so intense that the bees were nearly exterminated.

In recent years, however, the consumption of honey has steadily increased, and this trend is still in evidence. During 1901-04, 16,200 cwt. of imported honey were consumed on an average each year; and in 1909-13 the figure rose to 25,700 cwt. There was a marked increase after the War; since 1923 the volume of imports retained for home consumption has been not less than 60,000 cwt., and in 1929 the figure was more than 90,000 cwt.

In 1901-04 about 60 per cent of the imports of honey came from countries outside the Empire; from 1928 to 1930 Empire countries shipped almost as much as foreign countries; and since 1930 the Empire has been the predominant source of supply.

Before the War, the British West Indies, the United States and Chile were the chief exporters (in order of their importance). By 1923 New Zealand had taken third place, and has maintained an important position ever since. The volume of imports of New Zealand honey has, however, been very variable; in 1923 and 1929 more than 20,000 cwt. were imported, but in 1930 the figure dropped to only 1,170 cwt. Since that year the volume has ranged between 1,845 cwt. (1932) and 9,957 cwt. (1935).

Canada has built up her exports of honey to this market from 100 cwt. in 1923 until they reached the 10,000 cwt. mark in 1930. Since 1930 more honey has been imported from Canada than from any other country in every year except 1935 (when the volume from the British West Indies was slightly larger), the average annual imports during these last six years having been 17,000 cwt.

Present Market Conditions

At the present time it is believed that domestic production supplies only about one-third (25,000 cwt.) of the volume of honey consumed. If the retained imports are included, the per capita consumption is still only about one-quarter of a pound a year. Changes in consumption, however, show that honey is regarded as something of a luxury; the volume varies directly with purchasing power. The peak year was 1929, after which it declined, but since 1933 consumption has been increasing again.

There are two main outlets—manufacturing trades and the domestic consumer. It is impossible to discover how much honey goes through each of these channels. but we believe that the household market is by far the larger. The former, in any event, is of little interest; as the manufacturer uses honey as a basis for cough syrup, for baking, etc., he does not need to buy an expensive product, and it is probably the cheaper Jamaica honey that is principally used.

The bulk of Canadian honey goes to the domestic consumer, but from the information we have obtained, we believe that at least 50 per cent of it is blended with other Empire honeys and is sold not as "Canadian honey" but as "Empire honey." The housewife generally buys her honey on the reputation of the packer's (or blender's) name, not by its country of origin. The result is that the packer uses the best Canadian honey to blend with a darker or inferior Jamaica honey to produce a grade that will sell at a definite price. The definite price is, to a large extent, necessary as honey is in competition with jam, which often sells for half the price of honey.

Thus the identity of Canadian honey is often lost to the disadvantage of Canada, but the packer gains by a profit made on a judicious mixture of Empire honeys. As the price of the bulk of Jamaica honey is from 20/- to 30/-,* the price of Canadian about 40/-, and the price of New Zealand about 60/-, it is evident that a shrewd blender can make a good profit on a blend of Canadian and Jamaica honey that will sell for slightly less than New Zealand honey without being noticeably inferior in taste or appearance. It is also evident that with some blenders at least, if they are to put up a blend to retail, say, for 1/3 per pound, the higher the price of Canadian honey, the less they will use of it. Only a small quantity of Canadian honey is sold under Canadian brand names.

The actual price structure of the various honeys is hard to determine, owing to the multiplicity of grades, blends, sizes of container and channels of distribution. English and Scotch honey often sell on a basis of 80/-; the premium is due to the fact that it is domestic product, though its quality is often such that the actual value in comparison with imported honey is very much lower. One large and typical store, for instance, was advertising No. 1 glass at the following prices: Scotch 2/-; English, 1/9; Ontario, 1/6. It was advertising a 60-pound tin of Canadian at the rate of 1/2 per pound, a "Colonial" 60-pound tin at the rate of 10d. per pound; and a 7-pound tin of New Zealand honey at a rate of just under 1/1 per pound (7/6 for the tin).

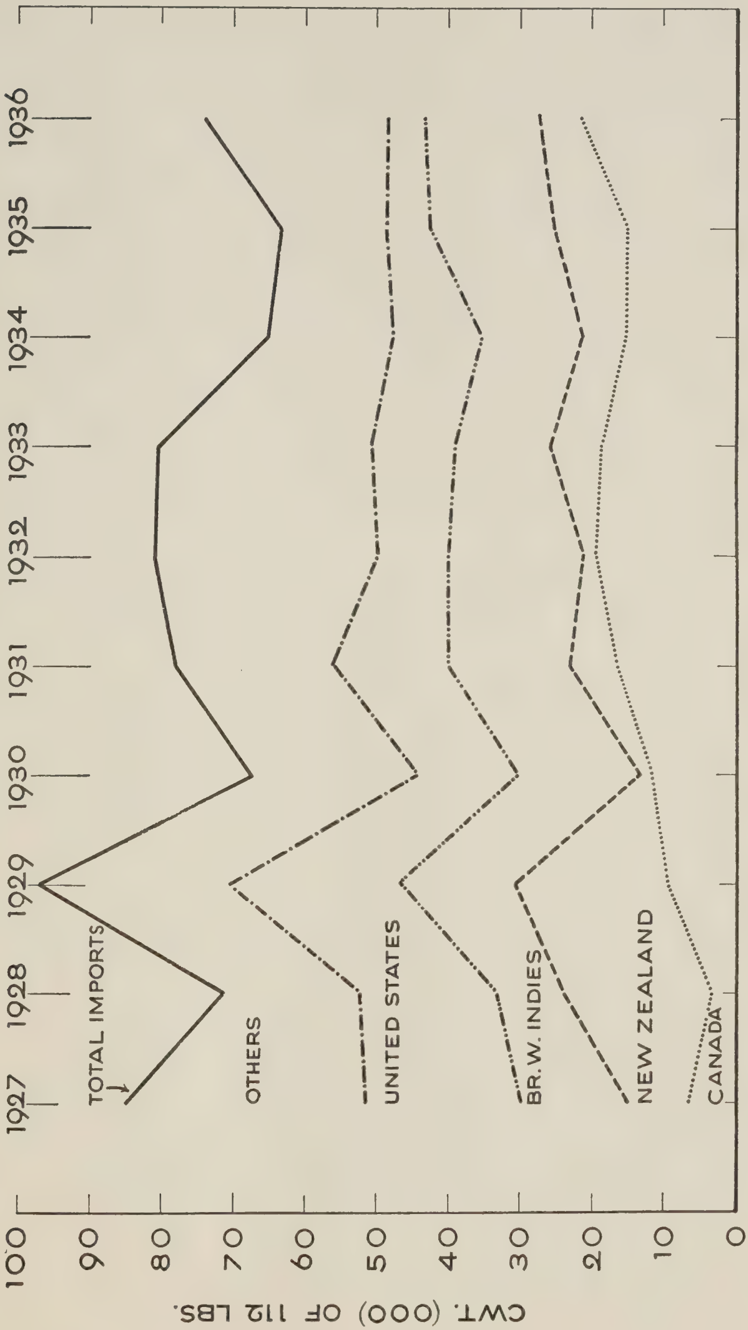
Practically all sales are made in the 1 pound or smaller special sizes, often in a fancy container. Efforts to sell 2 pound, 4 pound or 5 pound tins have not met with any success. The 60-pound bulk tin for shipment from Canada is generally approved for trade purposes.

The two largest packers covering the southern part of England contract for, or buy, their requirements at a firm price, but it is usual, as the season progresses, for them to receive offers from brokers and dealers several shillings lower than the original figure. Furthermore, certain producers who sell direct to retail stores are an unsettling factor.

At the present time at least one forward offer has been made for best quality new season honey at 39/- c.i.f., when the goods are obviously not yet in the broker's hands. Such offers may easily lead to trouble, since the seller may not be able to deliver, or may be compelled to include inferior grades in order to complete the contract. Further, this quotation may set the price for the new season when the complete absence of any carryover of Canadian honey, together with a short crop in New Zealand, may justify a higher level.

Sales of honey are still being considerably affected by the volume of prepared honey being sold. This preparation consists of invert sugar, etc., with only perhaps 10 per cent of honey to give it flavour. Yet the ordinary housewife regards it as honey, and it sells for less than half the price of the genuine article. All the large packers are urging the Government to make a more exact description compulsory on the label, but the Government have pleaded the pressure of other business. Could this legislation be passed, the sale of genuine honey should benefit.

* Per cwt. of 112 lbs.



VOLUME OF IMPORTS OF HONEY INTO THE UNITED KINGDOM
1927-1936

Competition

Our principal competitors at the present time are the British West Indies, New Zealand, Australia, the United States and Cuba. The New Zealand methods of marketing are so distinct that we thought it advisable to include a description of them.

New Zealand honey is the best known imported honey on the British market and commands a substantial premium over Canadian honey. This is largely because advertising over a period of years has built up a special demand; though its grade and flavour are consistently good, yet the premium is hardly justified by quality alone.

The apiarists are organized in the New Zealand Honey Producers Association, and under an Act passed in 1924 a Honey Control Board was set up, consisting of one person appointed by the Government and two by the producers. This Board has the sole right to export honey, and it appointed a sole agent in London and another in Germany. It embarked on an advertising program immediately, stressing the advantages of honey for the table in general, and of New Zealand honey in particular. There is no doubt that this advertising met with considerable success. At the present time the London agent is allowed one penny per lb. for advertising on all the honey he sells—i.e. he keeps this amount instead of returning it to the producers.

The Board directs the blending, grading, packing and storage of honey, and determines the quantities and terms of shipment. It is blended and bottled in London, so that all "Imperial Bee" honey is of the same colour and consistency.

"Imperial Bee" honey has a good distribution. It is used frequently in window displays, and it is found in very small containers on the tables of restaurants cars. Very little publicity, however, is being undertaken at the present time.

The distributors are convinced that the sole agency is the only satisfactory way to handle the honey. It is only a minor product, and in this way, they believe, they get the most satisfactory price. Yet the trade strongly dislikes this method of operation, and it is stated that the cost of distribution is so high that very little is left for the producer, who at present is showing signs of considerable dissatisfaction.

Recommendations

We believe that the present methods and channels of distribution for Canadian honey in the United Kingdom are not entirely satisfactory. We do not feel that permanent advantages would accrue to Canadian honey producers by adopting the more closely controlled distribution methods of our principal competitor, especially in view of the quantity we now have to sell.

We do believe, however, that active promotion of the sale of Canadian honey will result in a larger volume of exports. The most important point is the greater sale of all-Canadian honey instead of its use for blending with other Empire honeys. The proposals we have outlined in the General Recommendations, if carried out, will have the effect of inducing the various blenders and bottlers of honey to give greater emphasis to an all-Canadian honey, to the benefit of our producers.

Canadian honey is in itself a very high-class product and sufficient steps have not been taken to establish it on the United Kingdom market as a distinctive product.

CHAPTER XI

MAPLE PRODUCTS

Maple products are virtually unknown on the British market, and there are no statistics to show the quantities imported. Canadian statistics, however, show that 2,114 and 3,082 gallons of maple syrup, and 30,179 and 28,028 lb. of maple sugar were exported to the United Kingdom during the fiscal years 1935-36 and 1936-37 respectively. We are informed that about one-third of the imports are used for industrial purposes, though this proportion is nothing more than an estimate.

In our opinion the price at which maple products are selling in the United Kingdom is definitely hampering their sale. Current c.i.f. quotations are $2.83 per gallon—approximately 40 per cent higher than current Montreal wholesale prices. The addition of duties and landing charges makes the United Kingdom wholesale price still further out of line. By the time that wholesalers and retailers add their necessary profits, the British consumer is asked to pay about twice the price charged in stores in the Province of Quebec. While limited quantities can be sold at their present retail price, no large volume can be attained as long as the present wide spread in price exists between maple syrup and competitive syrups.

There is an increasing use of maple flavours. Manufacturers of candy, cakes and ice-cream are permitted, incorrectly, to describe their products as maple products regardless of the fact that in many instances their products contain only a small proportion of maple sugar and in many instances derive their maple flavour from the use of flavouring extracts which actually contain no maple sugar or syrup whatever. There are proper grading and marking regulations to safeguard our interests, but they need to be enforced. We suggest that this be investigated, and if thought advisable the British Ministry of Health (which administers the Sale of Foods Act), be consulted.

An attempt was made some time ago to bring maple syrup in bulk to London and bottle it here. It was unsuccessful. We are told that a green scum developed shortly after bottling. This is difficult to explain, as bottling from cans is a common household practice in Canada. If any aggressive sales promotion work is undertaken, bottling in England is vital. Maple syrup must be sold in bottles in the United Kingdom and the price must be kept to a minimum.

In our opinion a strong intelligent effort should be made to promote maple syrup sales. The effort should be a part of the main campaign recommended at the beginning of this report for the London area, and it might also be a part of the test campaigns recommended for other areas. Canada can produce large quantities of high quality maple syrup, and as it is from the producers' viewpoint a most timely crop, it is worth considerable effort. Great care must be used, however, to ensure quality control.

CHAPTER XII

TOBACCO

HISTORICAL OUTLINE

Tobacco has been used in England ever since the days of Queen Elizabeth. Though the per capita consumption in the United Kingdom is not as high as in some continental countries, yet it is relatively heavy. Moreover, the production of domestic tobacco is negligible.

During the last ten years more than 200,000,000 pounds of unmanufactured tobacco have been imported on an average each year. Of this only a very small proportion has come from Canada; the most important source of supply has been, and still is, the United States.

The following table shows the total imports of unmanufactured tobacco and the imports from Canada:—

IMPORTS OF UNMANUFACTURED TOBACCO INTO THE UNITED KINGDOM

(in thousands of lb.)

Year	Total imports	Imports from Canada	Year	Total imports	Imports from Canada
1926	197,204	4,914	1931	194,046	6,273
1927	222,265	5,813	1932	174,912	10,672
1928	217,785	6,029	1933	211,108	13,961
1929	240,026	5,025	1934	238,875	8,055
1930	237,028	4,041	1935	251,620	7,076

The noticeable increase in imports of Canadian tobacco in 1932 and 1933 was due very largely to the effect of the severe competition among the various manufacturers brought on by the several premium offers then running; these compelled a reduction in manufacturing costs, which was effected by using more Empire tobaccos which came in duty free.

In 1934 and 1935 a change in the compilation of the official import statistics showed that nearly 90 per cent of the tobacco imported was light-coloured.

Present Market Conditions

Empire (and Canadian) tobaccos are not, in the main, of the bright flue-cured type desired for cigarette making. These tobaccos are, however, admirable for pipe tobacco, and they have been increasingly so used. At the present time it is believed that about 80 per cent of the pipe tobacco sold in the United Kingdom is of Empire origin (i.e. in the aggregate, not applying to particular blends). Unfortunately, however, the consumption of pipe tobaccos is tending to decline slightly, while that of cigarettes is increasing. English cigarettes are made of very bright tobacco, and no dark tobacco is used in them. The quality of Canadian flue-cured has improved tremendously in the last few years, and it is now used extensively in almost all brands except the three best known and most heavily advertised. With these three, there is too much risk involved (because of the heavy advertising behind them) to justify the use of even the smallest proportion of Canadian tobacco, for fear that even a slight change in flavour may affect the sales.

It is freely admitted that if the Canadian crop comes up to the standard that it did in 1935, there will be no difficulty in disposing of it all, but in view of what has been said above (unless the makers of the three large brands could be persuaded to add a small proportion of Canadian leaf simultaneously), the best hope for Canadian tobacco is that sales of minor brands will, in time, increase. This is not a very cheerful prospect, as the costs of building up large sales for any new brand are enormous; a great deal of money was lost a short time ago in trying to build up the " Canadian Club " cigarette, which was made entirely of Canadian tobacco.

Smaller makers are also handicapped by the methods of purchase. If the crop is good, all the best is bought up in Canada by the large purchasers, leaving only the inferior or sub-standard crops to come on the open market. If the crop is small, there may be no surplus at all. Thus the smaller manufacturer may be unable to buy any Canadian tobacco.

In 1930 there was formed the Tobacco Federation of the British Empire. The prime movers in this were, and still are, Nyasaland and Southern Rhodesia, both of whom have considerable marketing problems. Canada has none at the present time, and does not contribute financially to the Federation, though the Trade Commissioner for London acts as the Canadian representative at the meetings. The body is purely consultative and advisory.

Competition

The most extensively used tobacco, as has been already pointed out, comes from the United States, and the reasons for its use have been given above.

More extensive use of our tobacco can be obtained we feel only by the Dominion Government persuading British tobacco manufacturers to use a larger percentage of Canadian tobaccos in their blends.

CHAPTER XIII

HAY, ALFALFA MEAL, GRASS AND CLOVER SEEDS

Hay from Canada, exported to the United Kingdom, comes largely from Quebec and Nova Scotia, the latter supplying most of the winter requirements. In the United Kingdom it is distributed largely through the ports of London, Cardiff, Liverpool and Glasgow.

Prices lately (June 1937) have been around $15.75 per long ton, but were as high as $25.00 per long ton in the winter of 1936-37, following the poor hay crop in the United Kingdom in 1936. The 1937 hay crop in the United Kingdom is described as unusually good. Imports are therefore liable to be considerably below the record set in 1935 and 1936.

Imports vary widely but reached a high point of 44,162 long tons in 1936 and were as low as 4,997 tons in 1932. Canada supplied 38,633 long tons in 1936 out of 44,162 tons imported and 3,861 long tons in 1932 out of 4,997 long tons imported. In percentages Canada supplied approximately 55 per cent of the imports of hay in 1934, 80 per cent in 1935 and 85 per cent in 1936.

Under ordinary circumstances the largest buyers in Great Britain are the cartage companies, collieries, breweries and other organizations in industry using horses to some degree. Farmers usually do not require to buy hay. Polo, racing, hunting and other stables are also purchasers; also the Imperial Army.

Domestic production in England and Wales approximates 6,500,000 long tons a year. It is therefore obvious that importations are a small factor in total requirements, being only $\frac{3}{4}$ of one per cent of the total in 1936.

Quality Requirements

The London buyers' ideal hay is rye grass with about 25-30 per cent of clover, both cut at their prime. From Canada timothy is the grass desired. While the Glasgow market refuses to take clover, the London market does like it and will take up to 25-30 per cent or even 50 per cent, the balance to be of good grasses. Weeds, daisies, sedges are always a cause of dissatisfaction.

Requirements of the War Office are decreasing with the mechanization of the Army. The purchasers give preference to home-grown supplies. If Canadian hay is offered it should conform to the standard of Group 1, timothy and clover hay, grades 1 and 2 as laid down in the Hay and Straw Inspection Act 1933 (Canada). Timothy containing more than 10 per cent of other grasses or of clover, will not be accepted. The hay should be well saved, good, strong, sweet, dry and clean. British contractors contract for all hay purchased for the Army and may be required to show their brokers' contract in any phase of the duration of the contract.

Grading of Hay

Great care on the part of the shipper is essential in sorting and classifying his hay for the United Kingdom import market. This factor is credited with causing more complaints and demands for allowances than any other. It has been suggested that the simplest method of discovering what an importer requires is to meet him personally and thresh out the problem in all its details. This has been done in a few cases and has brought highly satisfactory results. Such meetings are, of course, difficult to arrange and may not warrant the amount of trouble involved.

Canadian Grading

Canadian grades and standards are fairly well understood in the United Kingdom as is also the Canada Hay and Straw Inspection Act of 1933, but not with all its details. It does, however, afford a basis from which importers can work to advantage.

Useful information to the importer includes a statement of the district in which the hay is cut, for then the importer, working from Canadian grades, can specify the district or districts from which his supply should be arranged. Arrangements developed along this line are calculated to reduce dissatisfaction when carried on over a year or two.

Competition

Competition in this market is not particularly keen as the major part of Britain's requirements are home grown. Canada can produce cure and ship hay of suitable quality from the Eastern provinces. Price seems to be the governing factor and it is doubtful if the trade could be expanded greatly.

Recommendations

1. As hay is a bulky and therefore rather costly product to handle, and at the same time usually a relatively low-priced product, it would appear that a greater net return might be obtained by feeding it at home.

2. A careful investigation should be made into the question of utilizing the hay as a food for livestock in the district in which it is grown.

3. Also some inquiry should be made into the question of possible alternative uses for the land upon which this hay for export is grown. It might develop that a different type of farming introduced into some of these districts would yield greater net returns.

ALFALFA MEAL

Requirements: Alfalfa meal is officially defined: "Alfalfa (Lucerne), as grown, dried and ground, to which no other matter has been added".

The usual trade requirements are that there shall be a minimum of 15 to 18 per cent protein value, not more than 25 per cent fibre and the colour shall be bright green, dark rather than light; in particular, a definite analysis of protein and fibre is required. In this connection the Canada Feeding Stuffs Act specifically mentions ground alfalfa straw as a foreign material which may not be admixed in the meal, and, while this regulation applies only to sales in Canada, it is usefully applicable to meal intended for the United Kingdom market.

Alfalfa meal is employed largely as poultry feed and is used in mixes for chicks as soon as they hatch. It is therefore necessary that it be very finely ground and screened.

The meal is imported in minimum lots of 25 or 50 long tons and is usually packed in bags of 1 cwt. (112 lb.). Payment is usually made on the basis of cash on arrival. No official statistics of importations are available, but the principal areas of supply are Canada, South Africa, and California.

CALIFORNIA ALFALFA MEAL

California can supply very fine qualities of alfalfa meal such as their No. 1, but the price for this grade is always considerably higher than current prices ruling for alfalfa meal. Therefore the quantity usually bought for this market is their No. 2 quality. The No. 1 is high in protein and low in fibre but the No. 2 contains a considerably higher percentage of fibre and is lower in protein.

The price asked in July in London for No. 2 was around £7-0-0 per ton c.i.f., but as this has to compete with Canadian alfalfa meal, the value is not more than £5-10-0. It is true that the No. 1 quality has a much higher feeding value on account of its higher protein and lower fibre content and could be used as cheaply as the current grade imported, but the majority of buyers seem to consider the price rather than quality and therefore are content with the No. 2 grade.

SOUTH AFRICAN MEAL

This meal shows a better analysis than Canadian, namely, about 18 per cent protein against the Canadian 12 per cent, and 20 per cent fibre against the Canadian 25 per cent. The price has not been in line for this market to any extent for some years.

CANADIAN MEAL

Canada enjoys a good business in alfalfa meal and that business can be developed by catering closely to the requirements of the market. Difficulties occur from time to time because of lack of protein, heavy fibre content, bad colour, poor sifting and irregular quality. It cannot be emphasized too strongly that great care is needed in the selection of material, in grinding and sifting; finely-ground, well-sifted meal of good colour will frequently command a price premium of 2/6 per ton to 5/- per ton.

If shipments throughout the season could be made as uniform as early season Ontario the consumption of Canadian meal would be much larger than at present. In practice, however, it is only the first few shipments that are satisfactory and the quality then deteriorates as the season progresses, until by December the colour is described as a dirty brown, and this renders the meal unsaleable. The grind also tends to become coarser.

Definite complaints are made that Canadian meal (1) lack colour, (2) has too high a fibre content due to bad sifting, (3) changes quality from early to later shipments, and (4) lacks protein. One importer lists two customers who refused to continue taking Canadian meal. One used 300 tons a year, another 200 tons. A third was seriously thinking of changing over to English supplies because of bad colour and heavy fibre.

It is timely to mention that Canadian producers can with advantage continue inquiries into the feasibility of improving their product. More frequent cuttings while the alfalfa is tender offers a means of catering more closely to the requirements of the market by maintaining the high protein content and reducing fibre content to a minimum. Improvements are being effected in the production of alfalfa meal in the United Kingdom, but the output is still limited. Of increasing importance, however, grass itself is now being artificially-dried and ground into a very satisfactory meal. Sun-dried meal, whether grass or alfalfa, is not considered comparable in quality to the artificially dried product, particularly so far as carotene (Vitamin A) and chlorophyll content are concerned. The artificially-dried meal retains the vitamin content to a much greater extent. It is stated that English meal usually has a vitamin A content of 350 while Canadian has only 50 to 100.

As a general rule the price of alfalfa meal in the London market is fairly steady and a variation of 7/6 to 10/- per ton over the whole season may be taken as the maximum.

At present the Canadian alfalfa meal is produced in Ontario and Alberta, the former province shipping more consistently than the latter. As alfalfa can be grown in abundance in both provinces it is probable that transportation costs have a very decided bearing on this point.

Several "grass driers" were inspected in different parts of England and Scotland. They undoubtedly produce a high-class product but in each instance were considered to be entirely too expensive to operate, requiring a heavy capital expenditure, high fuel costs, and were capable of turning out only a comparatively small output per hour. The profitable use of artificial grass driers will depend, in our opinion, almost solely on the cost of fuel.

Recommendations

1. The Canadian shipper must pay more attention to time of cutting and to proper curing so as to retain quality with bright green colour.
2. Grinding must be relatively fine and uniform.
3. More careful sifting must be done to ensure uniformity of sample.
4. Investigation should be made into the feasibility of using artificial driers. These might be advantageously used in irrigated alfalfa districts if natural gas could be used for fuel.
5. Transportation rates should be studied with a view to securing a proper export rate on the alfalfa meal destined for the British market.

CLOVER AND GRASS SEEDS

The United Kingdom is largely a pastoral country with only a limited amount of arable land. However, while grasses and clovers grow to perfection, it also means that meadows, when laid down to grass remain for many years. Pastures were inspected that had not been broken for over 200 years.

It is therefore evident that the United Kingdom can never become a very large user of grass seeds. The North American continent which possesses, relatively, much more arable land and uses much shorter crop rotations will undoubtedly require more grass and clover seeds. The arable part of England, such as East Anglia, which practises a shorter rotation, uses the bulk of the seed imports.

Samples of the following varieties of clover and grass seeds have been obtained from seed merchants in London:—

Continental Alsike
American Alsike
American Timothy
Red Suckling
English Trefoil
English Sanfoin
Provence Lucerne
Hungarian Lucerne
Polish Red Clover
French Red Clover
English Red Clover
Hungarian Red Clover
English Wild White Clover
Polish White Clover
Irish Perennial Rye Grass
Irish Italian Rye Grass
Danish Italian Rye Grass.

Alsike Clover has proved to be the outstanding export clover from Canada.

About 33,750 bushels of this seed were exported from Canada to the United Kingdom in 1936. Canadian seed must compete on that market with both Continental and American-grown seed. The Central Europe seed is produced by rather cheap labour on small holdings, and is in the nature of a special product, which makes competition keen. These countries are steadily raising the standard of their seeds, so that now, in most instances, they are comparable to the Canadian standard.

Only comparatively small quantities of Red Clover seed are exported from Canada to the United Kingdom. In this product, Poland, France, and Hungary are the main growers, and here again the competition and price set a standard difficult to meet.

Some possibility would appear to offer for the production of English wild white clover in Canada, but further experimental work seems necessary. At the moment there is a demand for this seed from United Kingdom importers.

Apart from these seeds mentioned there does not appear to be much prospect at present for further markets except in a small way for Canadian clover and grass seeds in the United Kingdom. It is quite probable that the United States market offers greater possibilities.

The clover and grass seed business in the United Kingdom is largely in the hands of the organized seed trade. Most of the business is done between the Canadian seed houses and United Kingdom seed houses. The latter deal through their agents and brokers in London and Leith and are in constant communication with their Canadian connections.

Alfalfa is not grown to any extent in the United Kingdom. In recent years France and Hungary have sold large quantities of alfalfa seed to the U.S.S.R. (Russia). This market might be explored by getting in direct touch with Soviet authorities in Moscow, and by forwarding samples together with prices and quantities available. We feel, however, that for the immediate future the United States is likely to be a more attractive field for Canadian alfalfa seed.

CHAPTER XIV

FURS

Canada's principal outlet for furs is the United Kingdom. Our trade there has been developed over a long period of time, and our distribution channels are both friendly and efficient.

Furs in the United Kingdom are still somewhat of a luxury product, though the reduction in prices that has taken place in recent years has considerably broadened the market.

Silver and black fox furs are to-day the favourites. Their development has been one of the romances of the fur trade. From the standard of both style and economy they have great feminine appeal, as they can be worn with any colour combination and by either day or night. Increasing production has steadily lowered the price, and in the United Kingdom retail prices have now reached a level at which silver foxes are no longer confined to the rich. To illustrate this decline—in 1913 approximately 2,000 pelts were sold in the London market at an average price of about $300 each; to-day approximately 500,000 pelts are sold annually at an average price of $30-35. Silver fox capes consisting of as many as six or eight pelts, are commonly seen in retail stores, and complete silver fox coats are by no means unknown.

The following table, based on Canadian statistics, shows the number and value of pelts, by kinds, exported to the United Kingdom in 1934-36:—

EXPORTS OF CERTAIN FURS FROM CANADA TO THE UNITED KINGDOM

—		1934	1935	1936
Silver and black fox	No.	106,972	141,098	155,986
	$	4,273,716	5,047,550	5,216,126
Other fox	No.	116,270	140,364	94,501
	$	1,827,669	1,449,954	834,448
Mink	No.	90,499	82,113	51,845
	$	758,820	575,169	503,188
Muskrat	No.	1,345,352	858,257	787,283
	$	1,063,709	665,844	1,005,029

Silver fox furs alone represented 43 per cent of the value of all furs exported from Canada to the United Kingdom in 1934, 52 per cent in 1935, and 54 per cent in 1936. It should be noted that a good many red fox furs are dyed black and treated to simulate silver fox.

It is obvious that the Canadian fur trade in the United Kingdom is largely dependent upon the maintenance of silver fox prices, their continued popularity, and our ability to maintain quality and price, whatever competition may develop. We must also be conscious of our vulnerability to any style change—a factor over which we can have little control.

Canada's principal competition in the United Kingdom comes from Norway. Friendly trade experts say that Canadian silver fox quality has deteriorated, and that many buyers now regard Norwegian silver foxes as being, on the average, superior. A fair percentage of Canadian silver foxes are developing a brownish tone, together with some coarseness. We believe that this change is serious, and that it warrants immediate investigation, not only in Canada, but perhaps in Norway as well.

Practically all Canadian furs lose their identity when they go into manufacturing establishments. Investigations in retail stores satisfy us that few dealers know the country of origin of the furs they sell, although some will say, "This is Canadian (or Norwegian)."

In spite of some effort no way has been found to tag Canadian furs so that the retail purchasers can be sure of getting a genuine Canadian product.

We believe that further effort should be made to tag or mark Canadian skins. In spite of what some experts say about deterioration in Canadian quality, there is still a romance about Canada as a producer of the highest quality furs.

The adoption of the merchandising plan outlined in the General Recommendations would be of the greatest value for furs. Backed by advertising in leading publications, it would do more than anything else to protect Canada's high-grade products during the coming years, when the tendency will probably be to increased production and lower prices.

Although the Canadian origin of silver fox pelts has a distinct selling value to the original buyer or manufacturer and has a bearing on the price paid for the top quality skins at the auctions, nevertheless it is reported that many inferior pelts of unknown origin are merchandised as Canadian. If some method of permanent identification were evolved and used on the higher grades such as "half" and "quarter-silvers" it would then be possible for the ultimate purchaser to demand and get a genuine Canadian skin. This would provide the opportunity for assisting the sale of Canadian silver fox furs and would make it possible to undertake effective sales promotional work.

Canadian mink has been considered the best in the world. We have heard some reports, however, that owing to unclean conditions manufacturers are able to use only a small portion of the back. The bellies turn to yellow and light brown tones, making them unsuitable for really good garments, for which regularity of colour is of paramount importance.

It would appear from a distance that the remedy lies in cleaner quarters.

The complaints need serious and immediate study.

CHAPTER XV

MARKETING AND PUBLICITY POLICIES OF EXPORTING COUNTRIES

AUSTRALIA

There are four Boards controlling the export of Australian produce: (1) Dried fruit, (2) Canned fruit, (3) Wine, and (4) Dairy produce. A Meat Board is in process of formation, and a certain degree of control is also exercised over fresh fruits and eggs.

Internal trade is entirely a matter for the states. Each state has a Department of Agriculture, but no Department of Commerce; the Commonwealth Government has a Department of Commerce, but no Department of Agriculture. Consequently, the various Boards give advice in matters of cultivation, etc., but have no jurisdiction over production (though in many cases they work with State Boards); but all grading, etc., regulations are carried out by the Commonwealth Department of Commerce, as it is impossible to foretell whether produce is destined for export or home consumption. In regard to fresh fruit, the Commonwealth Government definitely forbids the export of certain varieties of apples (as part of a long process to reduce the number of exported varieties from about 230 to not more than 50), and of apples below standard in colour, quality, etc.

The Boards proper work with State Boards in setting the quantity of produce that is to be shipped at any one time. They supervise insurance and freight chartering. They approve of agents in London, and determine the prices below which the produce must not be sold. But at no time do they own any of the produce, or have any financial interest in it. The various Boards are financed by a levy on producers on a unit basis.

From the fund thus collected the operating expenses of the Boards are paid, and a grant is made towards publicity. The Commonwealth Government takes the attitude that if Boards think they need assistance in marketing, they will help them by a contribution, but if not, then nothing is done. Federal contributions to the Boards' campaign funds were originally on a 50-50 basis, but during the depression they were reduced to about 7-20. The present rate has improved, but is not more than 2-3. There is a separate Exhibition fund financed entirely by the Commonwealth Government of £7,500. The combined general publicity funds have ranged, in different years, between £45,000 and £75,000.

All publicity funds in the United Kingdom are handled through the Australian Publicity Officer in London, who reports to a Publicity Committee in Australia, which meets at least once every quarter, usually in Melbourne. The assistant secretary of the Department of Commerce is the Government nominee on the Board, which must approve the plans for publicity in the United Kingdom. Australia, like New Zealand, claims the initiative for starting regional campaigns and for pressing point-of-sale methods of publicity. Roughly one-third of the money is spent on newspaper and trade paper advertising; one-third on posters; and one-third on a canvassing staff which pays periodical visits to retailers in different parts of the country.

There are about twelve men in this field staff, picked for their general ability and because they know their districts—i.e. they are local men. Their job is to distribute showcards, leaflets, etc., and to persuade the retailer to display Australian products in conspicuous places where they can be seen. Each one is concerned with all Australian products.

The Publicity Officer believes that the use in retail stores of the name "Australian" rather than "Empire" is increasing all the time.

NEW ZEALAND

Exports of certain products from New Zealand are fully controlled by four boards, having jurisdiction over (1) Meat, (2) Dairy produce, (3) Fruit, and (4) Honey. Nothing may be exported unless permission is given by the appropriate Board. These Boards have both Government and producer representatives sitting upon them, and the normal method is to assess each producer a certain sum per unit of produce shipped in order to cover the costs of operation. Usually this also covers advertising and publicity expenses. The basic purpose of all the Boards is to secure the best possible price to the producer for all produce.

After the election of the last Government a change was made in the method of selling dairy produce. In accordance with the Primary Products Marketing Act, 1936, a Primary Products Marketing Department has been set up with a Minister in charge. The Dairy Board now acts only as an advisory body to this Department, and when cheese and butter have been put on board a vessel they become automatically the property of the Crown. It was thought that this system would have to be extended to other Boards, but up till now prices have remained firm enough to obviate this further step.

Except for honey, the products are sold in London on the open market through the usual channels. (Honey, as already pointed out, is blended and packed by a sole agent.) However, the appropriate authority sees that shipments are spaced to the best advantage. Control is looser with fruit than with other products, owing to the relatively small shipments and to the perishable nature of the commodity.

From 1921 to 1933 all advertising and publicity for New Zealand products was co-ordinated through a publicity officer in London. In 1931 the various Boards felt that the Government was getting the credit for all the campaigns (and there is little doubt that New Zealand produce is in the happy position of being well-regarded and of obtaining considerable amounts of free publicity without any trouble). The Boards, thereupon, took over the publicity of their own particular produce.

The combined appropriations of the four Boards have never amounted to a very large sum of money for covering the market, and New Zealand started with a policy of emphasizing display material at point of sale—i.e., in retail stores—and in exhibitions, fairs, etc. Where it was opportune, newspaper campaigns in local centres were run. As New Zealand has been a consistent advertiser for the past fifteen years, the cumulative effect has been considerable. Exhibitions of New Zealand products at fairs, etc., are still co-ordinated to a large extent.

During the last fiscal year appropriations were approximately as follows:—

Meat	£30,000
Dairy Produce	30,000
Fruit	3,000
Honey	3,000

In regard to the dairy produce appropriation, under the Marketing Regulations a contribution was obtained from importers, which materially increased the amount available. The full figures were as follows:—

Ordinary expenditure	£28,548. 9. 7
Contributions from importers[1]	7,808. 0. 4
Sales of sample cartons	1,279.17. 5
Total	£37,636. 7. 4

[1] This was a voluntary arrangement and lasted for only twelve months.

This sum was spent as follows:—

Newspaper, trade paper advertising	£14,772. 6. 0
Window displays, etc.	11,399. 7. 0
Special demonstrations	9,076. 1. 5
Exhibition space, supplies	2,338.12.11
Advertising in Eastern ports	59. 0. 0
Total	£37,636. 7. 4

UNION OF SOUTH AFRICA

There are four principal agricultural products shipped to the United Kingdom: (1) Citrus fruits, (2) Deciduous fruits, (3) Fresh eggs, and (4) Dairy products. Shipments of dairy products are controlled by a Board, but over exports of the other three there is no control as far as quantities and prices are concerned. There is, however, an active co-operative association which effects orderly marketing as far as it can without compulsory powers. Both the Dairy Board and the three associations have their own representatives in London. Permanent officials of the Department of Agriculture act as both chairman and vice-chairman of the Dairy Board and the associations, and the Minister of Agriculture has the right of veto. Each association and the Dairy Board are financed by a levy (on a tonnage basis) upon producers, and from the fund so collected, an advertising appropriation is made.

In London there is a Publicity Committee presided over by the Trade Commissioner and consisting of the London representative of each association and certain members of the trade. The representatives of each industry carry out the plans approved by the Publicity Committee. The advertising agency does most of the work, which consists very largely of personal canvass among the trade. There are about twelve canvassers who spend their whole time on South African produce, though they are employees of the agency. South Africa is now employing one of its own men, and may extend this principle in the future.

South African Trade Commissioners have a small separate appropriation for work at Exhibitions, Fairs, etc.

Citrus Fruits.—In 1936, £10,915 was spent on advertising and propaganda, amounting to 30 per cent of the levy on producers and to just under one penny per case. (The levy was 5/- for 40 cubic feet). Of this sum £4,677 was devoted to press advertising (including the costs of materials); £1,939 to retail displays; and £1,262 to canvassing. We are advised that the 1938 appropriation for oranges alone will be £50,000, an increase of approximately £40,000 over previous years.

Deciduous Fruits.—In 1936 about £15,000 was spent on advertising and propaganda for this branch. Special emphasis was placed on informing the public of the types of fruit available and the time at which they come on the market.

Fresh Eggs.—The season for South African eggs is very short, but they come on the United Kingdom market at a time when domestic supplies are very low—i.e. in the late fall. They are very well known and appreciated, yet the producers believe in keeping their good points well before the public. The levy on producers amounts to 9d. per case, but the advertising costs are only about £1,200. It is worth remarking that, in spite of pressure by the trade to stamp their eggs "Empire," South Africa has always insisted on stamping them with the name of the country of origin.

Dairy Products.—Only about £200 is spent on publicity for dairy products.

CANADA

Canada, of course, has no Boards to regulate exports; the only organized marketing is done to a limited extent by producers' co-operatives. She has, however, assisted exports through Government grants for publicity.

For the last ten years Canada has voted a sum of money for advertising in the United Kingdom. The actual votes were as follows:—

1928-29.. .. ..$	100,000	1933-34.. .. ..$	150,000
1929-30..	150,000	1934-35..	200,000
1930-31..	100,000	1935-36..	250,000
1931-32..	125,000	1936-37..	250,000
1932-33..	100,000	1937-38..	350,000

In addition to the usual vote in the fiscal year 1936-37, a sum of $25,000 was granted by the Department of Fisheries to be used for advertising fish and fish products in the United Kingdom.

The ordinary vote for publicity, therefore, is in line with what the other Dominions spent for these purposes, but Canada's special vote for exhibitions is a good deal larger. This special vote has ranged between $125,000 and $500,000, and Canada is particularly noted for the exhibitions she puts on.

The ordinary vote was originally a Department of Trade and Commerce vote, and it was so administered until the end of 1932-33. For the 1933-34 vote it was thought advisable for many reasons that it should be transferred to the Department of External Affairs to permit of supervision on the spot by the High Commissioner.

The present High Commissioner, in conjunction with the Chief Trade Commissioner, formed a Publicity Committee, which planned a definite program to cover the greater part of the appropriation. The original Director of Trade Publicity became the Secretary of this Committee. The Committee is assisted by an Importer's Advisory Committee, chosen by the Canadian Chamber of Commerce.

The publicity committee is seriously handicapped by the lack of qualified general agricultural specialists from Canada who are familiar with farming in Canada and with the methods and routine of the Department of Agriculture.

APPENDIX

STATISTICAL TABLES

VALUE OF IMPORTS OF FOOD, DRINK AND TOBACCO INTO THE UNITED KINGDOM
1927–1936

Calendar years	British Countries	Foreign Countries	Total
	£	£	£
1927	201,436,067	336,928,204	538,364,271
1928	200,931,141	329,842,553	530,773,694
1929	189,925,922	345,414,356	535,340,278
1930	178,093,334	296,896,220	474,989,554
1931	157,181,928	259,447,398	416,629,326
1932	160,183,985	212,696,309	372,880,294
1933	152,885,277	186,948,292	339,833,569
1934	155,411,583	191,176,898	346,588,481
1935	162,967,733	192,151,781	355,119,514
1936	....	....	382,730,461

ANIMALS IMPORTED INTO UNITED KINGDOM FOR FOOD—CATTLE ALL KINDS
(Summary)

Totals	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	7,669	405	....	5,193	26,991	16,724	51,443	51,373	6,478	37,759
Irish Free State	629,001	724,372	749,570	834,962	738,967	625,887	582,174	458,164	592,644	657,301
Other British	198	139	692	404	565	....	....	....	....	....
U.S.A.	....	....	....	....	....	....	....	....	....	....
Grand total	636,868	724,916	750,262	840,559	766,523	642,611	633,617	509,537	599,122	695,060

ANIMALS, LIVING, FOR FOOD, IMPORTED INTO UNITED KINGDOM
(Number of Head)

—	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
Bulls and Bullocks, Fat for Food—										
CANADA	3,752	....	....	477	1,996	911	637	3,007	910	
Irish Free State	234,792	257,309	246,465	240,116	227,290	180,058	88,416	84,331	108,758	
Other British	198	139	692	404	565	....	....	....	....	
U.S.A.	....	....	....	....	....	....	....	....	....	
Total	238,742	257,448	247,157	240,997	229,851	180,969	89,053	87,338	109,668	
Bulls and Bullocks, Other, for Food—										
CANADA	3,278	405	....	4,623	22,924	14,804	46,028	41,569	4,362	
Irish Free State	153,810	170,296	173,121	196,091	172,277	165,975	254,899	242,502	296,792	
Total	157,008	170,701	173,121	200,714	195,201	180,779	300,927	284,071	301.154	
Cows, including Heifers, Fat for Food—										
CANADA	639	....	....	93	1,916	1,009	4	524	47	
Irish Free State	92,357	117,013	131,232	132,387	107,438	82,806	22,931	15,564	16,250	
Other British	....	1	....	2	....	....	....	....	....	
U.S.A.	....	....	....	....	....	....	....	....	....	
Total	92,996	117,014	131,232	132,482	109,354	83,815	22,935	16,088	16,297	
Other, for Food—										
CANADA	....	....	....	....	155	....	4,693	6,082	1,110	
Irish Free State	109.574	125,416	137,476	175,899	155,146	118,164	144,298	93,265	155,940	
Total	109,574	125,416	137,476	175,899	155,301	118,164	148,991	99,347	157,050	
Calves—										
CANADA	....	....	....	....	....	....	71	191	49	
Irish Free State	38,468	54,338	61,276	90,469	76,816	78,884	71,630	22,693	14,953	
Total	38,468	54,338	61,276	90,469	76,816	78,884	71,701	22,884	15,002	

IMPORTS OF GELDINGS INTO THE UNITED KINGDOM, 1927-1936

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	...	...	...	...	14	1	3	100	191	275
Irish Free State	7,140	6,156	6,277	5,987	6,348	5,004	2,782	4,799	4,973	5,381
British India	47	3	6	10	6	29	19	3	30	13
Other British	7	30	9	37	9	6	19	19	28	35
Total British	7,194	6,189	6,292	6,034	6,377	5,040	2,823	4,921	5,222	5,704
Iceland	578	429	309	179	266	344	95	343	170	185
Denmark	...	...	...	...	2	65	196	27	40	19
Poland	1,082	484	375	422	268	116	302	226	713	540
Germany	55	210	500	262	190	48	44	20	29	33
Netherlands	291	275	233	175	129	106	155	86	131	410
Belgium	41	93	64	47	87	141	45	120	2,547	2,622
France	24	3	56	91	101	61	55	96	90	63
U.S.A.	92	48	73	108	48	32	28	197	60	104
Argentine	66	46	62	44	33	17	94	59	149	140
Other Foreign	82	16	10	44	156	24	47	93	60	*844
Total Foreign	2,311	1,604	1,682	1,372	1,280	954	1,061	1,267	3,989	4,960
Total	9,505	7,793	7,974	7,406	7,657	5,994	3,884	6,188	9,211	10,664

*Includes 770 from Lithuania.

IMPORTS OF DRESSED POULTRY INTO THE UNITED KINGDOM

(In cwt.—'000's omitted)

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	0·4	1·6	0·9	0·5	0·5	12·0	10·8	16·0	21·6	21·7
Irish Free State	112·3	106·3	126·8	115·6	109·3	104·3	102·6	138·5	105·1	104·2
Soviet Union	22·4	61·1	121·8	126·3	181·3	116·5	43·5	9·6	14·0	17·5
Poland	...	...	...	...	6·8	14·3	18·5	28·2	18·3	30·8
Netherlands	19·5	24·0	30·7	43·9	49·7	25·1	24·9	10·1	7·2	7·7
Hungary	33·8	40·9	44·4	85·6	118·2	105·8	171·2	128·0	119·3	105·3
Other Countries	317·3	256·3	229·5	198·0	199·6	135·9	128·9	121·8	137·0	134·9
Total	505·7	490·2	554·1	569·9	665·4	513·9	500·4	452·2	422·5	422·1

IMPORTS OF CHICKENS AND TURKEYS (DEAD) INTO THE UNITED KINGDOM

('000 cwts. of 112 lbs.)

From	Chickens				Turkeys			
	1933	1934	1935	1936	1933	1934	1935	1936
CANADA	1	8	14	12	9	7	5	8
Irish Free State	37	59	48	52	58	67	42	45
Australia	2	...	1	1	1	2	6	4
Hungary	53	29	46	43	106	85	55	47
Russia	40	9	13	18	...	...	...	...
Yugoslavia	7	1	3	8	31	55	68	57
Netherlands	22	10	7	7	...	...	...	1
Poland	13	25	14	24	4	2	4	7
France	...	...	...	...	8	1	2	6
Germany	7	1	...	...	1	...	...	...
Norway	5	...	...	...	...	...	...	...
Austria	2	1	...	...	3	2	2	...
Italy	1	...	...	...	3	2	2	2
Lithuania	...	...	1	1	3	2	4	7
Denmark	1	...	...	2	2	2	3	3
Roumania	2	1	2	1	...	1	1	...
U.S.A.	4	1	...	...	...	...	...	...
Argentine	...	...	...	1	19	21	15	15
Uruguay	1	...	1	...	6	8	7	11
China	...	...	...	...	...	...	...	...
Bulgaria	...	...	...	...	...	3	2	3
Other Foreign	1	...	1	1	1	1	1	...
Total Empire	40	67	63	65	68	76	53	57
Total Foreign	159	78	88	106	187	185	166	159
Total	199	145	151	171	255	261	219	216

NOTE.—Figures include fowls and old hens.

IMPORTS OF EGGS IN SHELL TO THE UNITED KINGDOM

(In Great Hundreds—'000 omitted)

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	42·0	83·3	79·1	15·0	46·4	5·4	182·8	177·0	98·3	103·3
Irish Free State	5,051·5	5,177·3	5,015·0	4,781·0	4,575·1	3,948·3	3,437·0	3,194·3	2,394·9	2,563·2
Australia	122·1	266·9	375·1	554·6	918·2	1,515·5	1,899·3	2,098·9	1,921·1	1,634·9
Denmark	5,679·6	5,329·6	5,572·6	6,728·3	7,548·3	6,392·3	6,233·6	6,383·2	6,564·0	7,987·3
Poland	3,387·9	2,561·9	2,384·7	3,612·5	2,687·0	1,874·3	1,680·8	1,941·8	2,014·8	2,563·7
Netherlands	2,359·8	2,725·2	3,169·3	3,680·6	3,839·2	1,402·9	1,002·8	944·1	2,677·9	3,799·5
Belgium	2,141·3	2,907·9	2,961·6	2,333·6	2,072·9	1,583·7	449·4	49·0	256·1	539·9
Other Countries	5,556·1	7,414·3	5,406·9	4,835·6	4,237·8	3,272·2	3,486·9	3,945·9	3,839·7	5,461·4
Total	24.340·3	26·466·4	24,964·3	26,541·2	25,925·2	19,994·6	18,372·6	18,734·2	19,766·8	24,653·2

NOTE.—Roumania more than doubled her exports between 1935 and 1936.

IMPORTS OF HAMS INTO THE UNITED KINGDOM

('000 cwts. of 112 lbs.)

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	133·7	115·3	98·2	84·0	72·5	142·9	179·7	180·7	190·9	277·7
Irish Free State	12·3	17·4	15·4	15·3	17·2	14·7	20·2	13·1	20·2	22·5
Australia	....	0·7	....	4·9	0·6	....	....	....	....	....
Other Empire	0·5	....	0·1	0·1	0·1	....	....	....	....	0·2
Poland	7·2	15·9	28·4	42·8	102·2	117·4	74·1	33·1	21·9	12·4
Denmark	2·6	1·9	1·3	2·9	2·6	6·4	0·3	....	0·1	0·1
Belgium	2·8	0·3	0·5	1·0	0·1	....	....	....	....	....
Netherlands	....	0·3	0·8	1·4	0·8	1·5	....	0·1	0·3	0·2
Germany	....	0·2	0·3	0·5	2·2	0·4	....	....	....	....
U.S.A.	716·1	759·8	841·7	820·4	600·6	465·3	564·0	477·5	419·1	322·8
Argentine	9·7	27·6	39·8	25·5	28·6	49·6	29·8	21·0	20·1	24·4
Brazil	....	....	0·3	2·5	3·0	1·4	....	2·2	3·5	0·8
Other Foreign	2·1	2·6	2·0	1·7	0·6	1·7	0·4	0·6	0·7	0·4
Total Empire	146·7	133·4	113·7	104·3	90·4	157·6	199·9	193·8	211·1	300·4
Total Foreign	742·0	808·6	915·1	898·7	740·7	643·7	668·6	534·5	465·7	371·2
Total	888·7	942·0	1,028·8	1,003·0	831·1	801·3	868·5	728·3	676·8	671·6

IMPORTS OF BACON INTO THE UNITED KINGDOM

('000 cwts. of 112 lbs.)

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	503	307	199	99	50	182	506	894	918	1,092·4
Irish Free State	451	555	497	331	297	200	205	368	458	505·1
Australia	....	1	....	2	1	1	....	....	....	0·4
Other Empire	1	....	....	1	....	1	....	1	1	....
Denmark	5,091	5,376	4,977	6.118	7,339	7,670	5,524	4,288	3,826	3,373·4
Netherlands	797	1,061	902	842	1,000	976	872	608	509	484·7
Poland	117	118	305	483	1,077	1,135	784	463	430	408·4
Lithuania	....	2	5	73	362	512	416	252	165	193·5
Sweden	474	441	380	550	577	424	403	297	257	241·6
Estonia	50	41	25	25	64	82	63	51	46	43·1
Finland	....	....	....	5	35	38	51	24	22	20·9
Latvia	164	145	67	47	31	19	46	43	33	36·3
Russia	114	197	209	50	29	42	45	49	47	41·7
Germany	24	21	5	17	29	2	27	51	....	....
Norway	....	....	....	1	....	....	26	25	20	11·4
Belgium	....	....	7	2	....	....	5	22	13	9·8
Brazil	....	....	....	3	1	3	3	13	21	5·9
Hungary	....	....	6	24	1	....	2	21	21	11·8
U.S.A.	641	538	635	479	189	64	63	39	20	16·9
Argentine	51	49	58	38	50	39	43	27	28	26·5
Other Foreign	4	1	1	1	2	1	1	72	91	66·0
Total Empire	956	863	696	433	348	384	711	1,263	1,377	1,597·9
Total Foreign	7,526	7,990	7,582	8,758	10,786	11,007	8,374	6,335	5,549	4,971·9
Total	8,482	8,853	8,278	9,191	11,134	11,391	9,085	7,598	6,926	6,569·6

Figures from Imperial Economic Committee Reports.

IMPORTS OF CHEESE INTO THE UNITED KINGDOM

('000 cwts. of 112 lbs.)

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	844	920	723	678	707	747	630	520	469	602·5
New Zealand	1,612	1,554	1,801	1,961	1,733	1,849	2,059	2,092	1,763	1,681·1
Australia	35	74	50	48	68	74	93	115	134	91·0
South Africa, etc	....	....	....	16	15	17	13	3	22	12·4
Irish Free State	2	2	2	2	2	2	1	5	9	17·4
Other Empire	1	....	....	....	....	....	....	....	....	0·8
Netherlands	228	228	196	183	168	170	122	128	199	181·5
Italy	141	141	132	145	132	106	90	94	80	14·0
Switzerland	28	34	40	38	32	14	14	14	15	17·0
France	20	28	26	27	12	9	7	7	8	23·2
Denmark	9	9	6	7	5	6	6	6	10	29·1
Finland	2	2	2	1	3	3	2	2	2	1·5
Belgium	3	2	4	1	2	1	1	....	....	0·7
Germany	....	2	3	1	1	1	....	....	....	....
Norway	....	....	....	....	1	2	1	2	1	1·2
U.S.A.	17	5	7	4	4	....	....	....	....	0·5
Other Foreign	2	4	2	....	1	2	1	1	1	1·9
Total Empire	2,495	2,550	2,576	2,705	2,525	2,689	2,796	2,735	2,397	2,405·1
Total Foreign	454	455	418	407	361	314	244	254	316	270·6
Total	2,949	3,005	2,994	3,112	2,886	3,003	3,040	2,989	2,713	2,675·7

IMPORTS OF CANNED APPLES INTO THE UNITED KINGDOM

(in cwts. of 112 lbs.)

From	1934	1935	1936
British Countries	125	110	*27
U.S.A.	28,260	30,292	47,809
Other Foreign Countries	2	....	....
Total	28,387	30,402	47,836

*Canada supplied 21 cwts. in 1936.
Preserved apples not shown separately prior to 1934.

IMPORTS OF CANNED TOMATOES INTO THE UNITED KINGDOM

(In cwts. of 112 lbs.)

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	** 1936
CANADA	....	....	....	....	5,966	12,388	22,315	46,791	150,277	134,307
Channel Islands	....	....	....	....	....	....	....	4,200	4,171	7,657
Other British	....	....	....	....	68	123	2,622	1,236	707	7,657
Total British	931	2,088	2,045	4,386	6,034	12,511	24,937	52,227	155,155	141,964
Spain	99,374	121,171	134,220	132,123	178,895	309,027	258,291	229,737	307,753	156,090
Italy	466,233	453,820	551,617	433,727	535,900	467,132	388,914	393,878	430,917	166,130
France	41,393	45,056	49,212	49,194	44,454	29,298	14,349	12,271	11,790	10,177
Hungary	....	....	....	....	....	....	....	30,845	36,208	33,618
Soviet Union	....	....	....	....	7,216	11,052	21,822	25,102	5,455	....
Germany	....	....	....	....	9,327	1,541	3,293	880	1,961	129
U.S.A.	9,103	21,378	9,061	13,621	12,552	10,993	13,940	3,013	2,687	4,512
Portugal	4,853	3,055	4,095	3,936	....	....	....	....	....	....
Other Foreign	1,858	2,711	11,674	9,688	6,263	15,314	19,752	2,333	2,823	*23,395
Total Foreign	622,814	647,191	759,879	632,289	794,607	844,357	720,361	698,059	799,594	394,051
Total	623,745	649,279	761,924	646,675	800,641	856,868	745,298	750,286	954,749	536,015

*Argentine supplied 15,714 cwts. in 1936. Other foreign countries contributed to make up for 1936 total, including Czechoslovakia, Portugal, Austria, Bulgaria and Morocco in the order of importance.
**1936 figures are not necessarily final.
NOTE.—Canned tomatoes not classified separately prior to 1927.

IMPORTS OF CANNED PEAS INTO THE UNITED KINGDOM

(in cwts. of 112 lbs.)

From	1931	1932	1933	1934	1935	1936
Total British Countries	211	234	457	110	218	245
Belgium	19,958	12,285	14,342	10,092	10,620	13,536
Italy	4,672	1,035	393	....	....	....
Other Foreign Countries	1,848	1,343	478	534	1,285	633
Total Foreign Countries	26,478	14,663	15,213	10,626	11,905	14,169
Total	26,689	14,897	15,670	10,736	12,123	14,414

IMPORTS OF CANNED PEARS INTO THE UNITED KINGDOM

(in cwts. of 112 lbs.)

From	1931	1932	1933	1934	1935	1936
CANADA	13,196	33,214	51,961	73,007	82,577	56,676
South Africa	604	11,609	15,680	8,345	15,333	20,932
Australia	52,919	100,817	102,884	142,632	131,675	137,271
New Zealand	....	128	4,730	....	....	1
Other British Countries	457	333	1,177	....	60	5
Total British Countries	67,176	146,101	176,432	223,984	229,645	214,885
U.S.A.	674,219	596,907	542,473	544,759	624,044	580,915
Other Foreign Countries	1,177	2,129	3,132	798	285	1,401
Total Foreign	675,396	599,036	545,605	545,557	624,329	582,316
Total	742,572	745,137	722,037	769,541	853,974	797,201

NOTE.—Canned pears not separately catalogued prior to 1930 in which year Canada supplied 14,431 cwts.

IMPORTS OF CANNED PEACHES INTO THE UNITED KINGDOM

(in cwts. of 112 lbs.)

From	1931	1932	1933	1934	1935	1936
CANADA	....	....	....	2,484	7,790	11,185
Australia	122,039	88,035	124,420	267,723	248,383	171,435
Other British Countries	1,867	2,153	2,937	260	261	82
Total British Countries	123,906	90,188	127,357	270,467	256,434	182,702
U.S.A.	606,812	653,512	535,699	491,165	628,064	601,589
Chile	629	10,513	13,529	3,725	....	13,496
Other Foreign Countries	1,214	2,186	3,020	1,118	3,838	2,372
Total Foreign Countries	608,655	666,211	552,248	496,008	631,902	617,457
Total	732,561	756,399	679,605	766,475	888,336	800,159

NOTE.—Canned peaches not separately catalogued prior to 1930.

IMPORTS OF CANNED CURRANTS, GOOSEBERRIES, LOGANBERRIES, RASPBERRIES AND STRAWBERRIES INTO THE UNITED KINGDOM

(in cwts. of 112 lbs.)

From	1931	1932	1933	1934	1935	1936
CANADA	2,885	5,002	11,413	21,776	7,560	9,069
Australia	3,292	4,036	7,965	4,803	2,632	3,441
Other British	26	247	778	1	6	487
Total British	6,203	9,285	20,156	26,580	10,198	12,997
Netherlands	1,765	4,332	2,924	1,087	3,235	3,821
U.S.A.	58,109	40,482	36,747	31,264	43,995	34,875
Other Foreign	3,575	5,122	737	669	1,469	1,508
Total Foreign	63,449	49,936	40,408	33,020	48,699	40,204
Total	69,652	59,221	60,564	59,600	58,897	53,201

NOTE.—Earlier figures not available.

IMPORTS OF CANNED CHERRIES (STONED) INTO THE UNITED KINGDOM

(in cwts. of 112 lbs.)

From	1934	1935	1936
Total from British Countries (CANADA)	728	1,700	*5,948
France	612	459	299
Italy	1,405	196	102
U.S.A.	1,348	1,245	683
Other Foreign Countries	301	14	17
Total Foreign	3,666	1,914	1,101
Total	4,394	3,614	7,049

*One cwt. only from Australia.
NOTE.—Canned cherry imports not shown separately prior to 1934.

IMPORTS OF FRESH APPLES INTO THE UNITED KINGDOM, 1927-1936

(,000 cwts. of 112 lbs.)

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	1,185	1,247	1,707	2,086	1,769	1,612	3,374	2,489	2,764	1,960
U.S.A.	3,825	2,955	3,089	2,235	3,534	3,128	1,365	1,300	2,304	1,564
Australia	557	1,442	352	1,351	1,033	1,685	1,969	1,526	1,528	1,636
Other Countries	594	445	610	500	1,263	1,666	742	577	646	482
Total	6,161	6,089	5,758	6,172	7,599	8,091	7,450	5,892	7,242	5,642

VOLUME OF IMPORTS OF HONEY INTO THE UNITED KINGDOM, 1927-1936

(In cwts. of 112 lbs.)

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	6,487	3,161	9,438	11,819	17,155	19,648	19,034	15,489	15,122	20,494
Australia	4,835	1,626	535	684	1,664	1,368	4,149	2,609	2,400	12,274
New Zealand	7,821	20,871	21,600	1,171	5,020	1,845	6,710	5,710	9,957	6,386
British West Indies	15,948	9,065	15,866	15,900	16,662	18,918	13,554	14,157	17,893	16,286
Other British	717	473	409	2,522	366	204	185	99	274	210
Total British	35,808	35,196	47,848	32,096	40,867	41,983	43,632	38,064	45,646	55,650
Soviet Union	8,032	6,467	5,218	2,742	5,919	2,156	10,325	961	261	....
U.S.A.	21,215	18,755	23,404	15,311	16,956	9,544	11,146	11,977	6,006	5,588
Cuba	8,021	1,170	200	1,700	3,184	4,806	1,185	2,488	1,313	90
St. Domingo	2,686	1,520	2,771	1,750	980	768	948	3,253	1,280	3,074
Chile	5,272	2,569	6,525	6,325	3,922	15,432	4,308	4,087	2,331	1,946
Other Foreign	3,381	5,281	11,094	7,073	6,400	5,737	8,215	4,512	7,102	7,485
Total Foreign	48,607	35,762	49,212	34,901	37,361	38,443	36,127	27,278	18,293	18,183
Total Imports	84,415	70,958	97,060	66,997	78,228	80,426	79,759	65,342	63,939	73,833
Re-exported	11,392	13,303	5,568	2,374	6,204	5,396	2,252	6,531	3,272	
Retained imports	73,023	57,655	91,492	64,623	72,024	75,030	77,507	58,811	60,667	

NOTE.—Duty on imported honey which is non-Empire is seven shillings per cwt. (112 lbs.) as from November 17, 1932.

IMPORTS OF HAY INTO THE UNITED KINGDOM, 1931-1936

(in tons of 2,240 lbs.)

From	1931	1932	1933	1934	1935	1936
CANADA	8,317	3,861	7,270	13,053	20,051	38,633
Irish Free State	1,033	514	822	1,041	1,126	889
Other British Countries	40	....	....	59	46	126
Total British Countries	9,390	4,375	8,092	14,153	21,223	39,648
Norway	1,250	414	....	9,555	12,095	3,968
Other Foreign Countries	....	208	....	106	381	546
Total Foreign Countries	1,250	622	....	9,661	12,476	4,514
Total	10,640	4,997	8,092	23,814	33,699	44,162

NOTE.—No duty is charged on hay entering the United Kingdom.
1936 figures not necessarily final.

OTTAWA
J. O. PATENAUDE, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1937

Canada. Agriculture, Dept. of

DOMINION OF CANADA

DEPARTMENT OF AGRICULTURE

THE BRITISH MARKET

and

THE CANADIAN FARMER

[2nd. ed.]

Published by direction of the Hon. James G. Gardiner, Minister of Agriculture,
Ottawa, Canada, 1938

DOMINION OF CANADA

DEPARTMENT OF AGRICULTURE

THE BRITISH MARKET

and

THE CANADIAN FARMER

Published by direction of the Hon. James G. Gardiner, Minister of Agriculture,
Ottawa, Canada, 1938

FOREWORD

This is the second edition, with certain changes and additions, of a report on the markets of the United Kingdom, including a statement of marketing policies by the Minister of Agriculture, the Hon. James G .Gardiner, and a list of proposals which have been put into effect.

This report outlines the results of an investigation conducted during the summer of 1937 by a special committee named by the Minister of Agriculture. The committee consisted of Messrs. A. M. Shaw, J. F. Singleton, L. Pearsall, and R. M. Scott, of the Dominion Department of Agriculture; R. A. Wright, President of the Western Canada Live Stock Union, and J. F. Lindner of Glen Williams, Ont., with C. L. Smart and H. King to advise on merchandising problems.

The agricultural marketing policy and the results of the investigations conducted in the United Kingdom are presented as a guide to those interested in the production and marketing of agricultural products.

TABLE OF CONTENTS

THE BRITISH MARKET AND THE CANADIAN FARMER

INTRODUCTION

This report is based on an investigation of the trade channels through which Canadian agricultural products are handled in the markets of the United Kingdom.

The investigation was very broad and included interviews with importers, agents, brokers, manufacturers or blenders using Canadian agricultural products, wholesalers, owners of and buyers for provision stores of all kinds and sizes, and retailers. Enquiries were made in London, Birmingham, Leicester, Hull, Norwich, Plymouth, Bristol, Cardiff, Liverpool, Manchester, Chester, Newcastle, Edinburgh, Glasgow, Perth, Aberdeen, Belfast and Dublin.

Farmers owning herds of Canadian-bred dairy cows, feeders of Canadian store cattle and owners of Canadian-bred horses were visited in the counties of Somerset, Derby, Stafford, Chester, Ayr, Perth, Fife and Aberdeen. Numerous visits were made to Smithfield Market in London and sales of Canadian live stock were attended at Birkenhead, Norwich, Glasgow, Castle Douglas, Aberdeen and Perth. Visits were made to fruit auctions at London and Liverpool, jam manufacturing plants, canning factories and cheese factories in the United Kingdom; and bacon producers were interviewed and packing plants examined in Denmark and Holland.

Conversations were held with the officials of the British Ministry of Agriculture and Fisheries, the Milk Marketing Board, the National Farmers' Union and the Smithfield Market.

Mr. Frederic Hudd, Chief Trade Commissioner, and the Trade Commissioners in London and in other cities in the British Isles rendered invaluable assistance in securing interviews as well as furnishing general information of great value.

Throughout the investigation, particular attention was paid to the following:

1. Regularity of supply and distribution of each line of Canadian products.
2. The character and aggressiveness of selling agencies and wholesale distributors.
3. Distribution as between the principal areas of population and between upper and lower class districts.
4. Retail selling conditions, including the recognition of, and standing accorded to, Canadian products generally.
5. Eating and cooking habits of consumers.
6. Sales trends of various products.
7. Effects of advertising and promotional work done by Canada, other Dominions, foreign nations, and large corporations.

SUMMARY

1. Distribution Best in London:

Although there is some variation with regard to specific products, Canadian goods are most widely distributed and best known in the London area. Several factors are responsible. More Canadian agricultural products are unloaded at the London docks than at any other port in the United Kingdom Canadian

cheddar cheese, which over a long period of time has been our leading provision store product with regard to both regularity of supply and unvarying standard of quality, is ranked by the London trade as the best imported cheddar cheese. Canadian bacon has made great forward steps in recent years, and in London is placed but little behind domestic, Irish and Danish bacon. The Tooley street trade has great influence, and our representatives and agents there have done much for Canada. Canadian tomatoes and tomato juice, and other canned or bottled products, have considerable but uneven distribution in all areas. London ranks as high as other cities in this regard.

2. Possibilities in Shops of All Classes:

Shops in middle- and lower-class districts stock the largest variety of Canadian products, but some are to be found in almost every grocery and provision shop in the United Kingdom and Northern Ireland. It is surprising to find a good range of top quality goods in shops in the poorer districts; good merchandise sells freely in these districts, and this naturally widens the market for the better class goods upon which we must concentrate our efforts.

3. Changes in British Eating Habits:

It is quite evident that the eating and cooking habits of the British people have changed materially during the past decade or two, and that there will be further changes in the future. Light foods are replacing the heavier foods of the past; advertising of large corporations, propaganda of Government bodies, and a gradual but not yet complete strengthening of medical opinion on the benefit of modern diet are all playing a part in bringing about this change. There is a marked increase in the sale of fresh and canned fruits; Canadian (or Canadian-type) cereal breakfast foods are reported everywhere by grocers as "best selling" lines, and sales of canned soups (or canned tomatoes or puree for making soup) are definitely on the increase. At all points we were told that the British housewife is going in more and more for prepared foods which has resulted in a change in the standard of domestic cooking, and this tendency, we believe, can be turned to Canada's benefit.

Package merchandise is continually supplanting bulk goods; in fact, bulk goods have virtually disappeared from British grocery and provision shelves. In Britain the majority of canned or bottled goods are eaten as they come from the container. We were told that few housewives do anything to canned goods to add to their attractiveness; heating, when desirable, is the general limit of preparation. There is, therefore, a great opportunity to develop new uses by the distribution of recipes and other educational work. The old prejudice against canned goods is no longer a factor.

4. Attitude Toward Canadian Agricultural Products:

Although there is, of course, no suggestion of ill-will towards Canadian products, we must recognize that we are not generally accorded preferential treatment from either merchants or consumers. Domestic products obtain first preference in grocery, provision, and meat shops to the extent that customers will pay a premium for domestic goods even when, as is often the case, they are inferior in quality to Dominion or foreign produce. This premium, which is shared by all distributors right back to the primary producer, is caused partly by sentimental preference and partly by domestic production deficiency.

5. Knowledge of Canadian Products:

Very few retailers so display Canadian goods that they are easily recognized. It was a common experience when the question was put, "What Canadian goods do you sell?" to have one of two replies: "I sell a lot of your stuff," and, "I am sorry, but I have practically nothing Canadian here at present." Either

answer was followed by a vague search for Canadian goods, and it was usually quite apparent that retailers are not familiar with any other than the most outstanding Canadian products.

It is evident that the British retailers are not by any means as familiar with Canadian agricultural products as they are with many of the products of our competitors. The reason is, apparently, that Canada, until recently, has done little to impress the retailers or consumers in regard to the quality and availability of her agricultural commodities, whereas the other Dominions and some other competing countries have done much and their products have been kept prominently before retailers and consumers. Consequently, the consumer, who buys the goods over the counter, cannot be expected to be able to identify, or to ask for, Canadian products as such.

The investigation definitely indicates that the consumer does not often ask for Canadian products but frequently does ask for a similar article produced in another Dominion.

THE MARKETING POLICY

The Honourable James G. Gardiner, Minister of Agriculture, in an address delivered at the annual meeting of the Canadian Chamber of Agriculture, Ottawa, January 24th, 1938, stated the policy which the department intended to follow as a result of receiving and adopting many of the recommendations of the report of its investigating committee. He did so in these words:

" With the winding up of the schemes operating under the 'Natural Products Marketing Act' completed, the Dominion Department of Agriculture has given careful consideration to the recommendations set forth in the report of its investigating committee and has decided upon a policy in relation to the market in the United Kingdom.

Under that policy the department proposes:

A. To see that Canada sets her own house in order by co-operating with provincial departments to have production improved and developed in most favourable locations and by ensuring, as far as possible, that no merchandise unsuitable to that market be exported to the United Kingdom and that what is exported be improved in quality, packaging and labelling.

B. To co-operate with producers, exporters, brokers and the trade in the United Kingdom in maintaining, until the product reaches the consumer, the standard of Canadian agricultural products in conformity with the grades, packaging and labelling provided by Canadian regulations.

C. To advise, co-operate with and assist all Government, producer and merchandising agencies in placing Canadian foodstuffs effectively before the British housewife.

" I shall now develop these main recommendations in greater detail.

A. A number of products are already in such a condition that the full story can be told about them—i.e., cheese, bacon and breakfast foods. A great deal of work is required with others, in particular canned goods and poultry.

1. We propose that definite steps be taken to see that the fullest information about the character of the United Kingdom market be given to the producer. All possible means should be employed to this end—e.g., through provincial Departments of Agriculture, at conventions, by special meetings, by carefully prepared articles in the agricultural press, by the issue of special booklets, and by any other useful method. The aim of all this should be to show the producer the severity and type of the competition he must meet, the particular requirements of the market, the necessity for meeting these requirements, the need for paying particular attention to such matters as labelling, and, in short, the necessity for doing his part in proving to the housewife and to the trade in the United Kingdom that the words "Canadian Product" always mean a reliable, quality product. We also feel that at every step the producer should be kept fully informed of what is being done to increase the demand for his product on the British market.

2. We have had ample evidence that the grading of certain Canadian products has continued to improve. The matter is of such importance, however, that we feel it vital to stress the necessity of further careful attention to grading, particularly in regard to fostering as far as possible, a standard common to all graders in every part of the Dominion.

3. The only proper basis on which the two main policies B and C, as outlined, can be carried out is by emphasizing the consistently high quality of Canadian products. Publicity for an inferior article is not only worth nothing, but is definitely harmful to all good products. We have considered very carefully whether it is advisable to prohibit entirely the export to the United Kingdom of all low-grade products. Such a prohibition, we feel, would entail a severe hardship upon individual producers, as there is a low-price market in Great Britain which may be invaluable to the producer who, for instance, owing to unfavourable climatic conditions, has a large amount of low-quality products. It is essential, however, that more and more of our product should be of high quality so that agencies placing it on the market can maintain it in high favour. We therefore intend to advocate:

(*a*) The adoption of a National Mark for Canada's high-grade agricultural products shipped to the United Kingdom.

(*b*) That the use of this mark be made compulsory on specified products, provided they attain the requisite standard; that this mark be made the focal point of any publicity and advertising campaign; by this means the mark would assume a definite and valuable significance.

(*c*) That the right to use this mark where it is not compulsory, be accorded only to producers under licence, provided that their products attain to the required standard to be laid down by the Dominion Department of Agriculture.

(*d*) That, with proper safeguards, the right to use the mark be extended to United Kingdom importers or blenders who import Canadian products in bulk and package or blend them themselves.

(*e*) That this mark be either an emblem or label, so designed, either by shape, colour or wording, or a combination of these, that it can be readily identified by the British housewife.

(*f*) That sub-standard products have a distinctive mark.

B. The Dominion Department of Agriculture intends to follow, in relation to other products, the practices pursued in relation to cheese and bacon which have met with good results during recent years.

C. The Dominion Department of Agriculture does not conduct advertising campaigns in Great Britain and never has. Advertising is conducted under direction of a Publicity Committee presided over by the Canadian High Commissioner in London. The Marketing Service of the Dominion Department of Agriculture will co-operate in every possible way with the Publicity Committee or any producer or merchandising agency interested in promoting the sale of farm products in the United Kingdom.

The Dominion Department of Agriculture will appoint an Agricultural Commissioner in London to direct the services of those following our commodities and to report back to producers from the United Kingdom, Ireland and Europe. This official will also provide the department continuously with information regarding agricultural developments in those countries."

Proposals Already Made Effective

Since the above speech was delivered, considerable progress has been made in putting into effect many of the proposals outlined in the policy laid down.

1. An Agricultural Commissioner, to be stationed in London, England, has been appointed. He is to be responsible for directing the services of those who are employed, or may be employed, by the Dominion Department of Agriculture in Great Britain, Ireland and Europe. He will further observe agricultural developments within these countries which may be of special interest to Canada and report such developments to the Dominion Department of Agriculture.

2. A standardization trade mark has been adopted. This will be used as a National Mark on certain grades of commodities produced, manufactured, packaged or processed in Canada under authority of acts administered by the Dominion Department of Agriculture.

3. Arrangements have been completed to have a definite quantity of fresh-killed beef forwarded weekly to the London market. This will consist of high quality beef, shipped in sides, the object being to demonstrate the possibility of placing fresh Canadian beef on the London market. The intention is to compete directly with the home-killed beef rather than the chilled and frozen products of other countries.

4. The seed of a particularly promising new variety of tomato has been purchased. It has been distributed among canners throughout Canada who have undertaken to have the crop produced and processed under the supervision of the Department of Agriculture. This particular variety is very promising and it is hoped that it may be the means of improving our product on the British market.

5. A comprehensive study of processing and handling of export bacon is under way. This is under the direction of the National Research Council in co-operation with the Dominion Department of Agriculture. Such questions as flavour, colour, keeping qualities, processing, packaging, stowing, etc., are being approached from a scientific angle in an effort to improve and standardize this product.

6. Most of the recommendations made in regard to poultry are already embodied in new regulations. Several trial shipments of fresh eggs have been successfully made to the British market and it would appear from the results to date that there is a definite possibility of establishing a regular trade in fresh eggs.

7. Several of the recommendations made in regard to fruit and vegetables are also embodied in regulations already worked out and in operation.

8. A satisfactory method of marking Canadian cheddar cheese has always been regarded as extremely difficult. This difficulty has recently been solved and it is now possible to use a mark which is not only permanent and distinctive but entirely practical.

9. Transportation as it applies to the handling of perishable products at Canadian docks is under investigation. The Department of Agriculture in co-operation with the National Research Council has the matter under consideration. This problem is one of great national importance, a satisfactory solution of which will have a very definite bearing upon the future development of Canada's trade in perishable products with Great Britain.

10. Assistance rendered by the department during the autumn of 1937 was largely instrumental in placing a herd of over 150 head of carefully selected Canadian dairy cows (Holstein-Friesian) on a farm in the county of Chester, the very heart of one of the best dairy districts in England. This herd has naturally received wide publicity and as a direct result several orders for cattle of similar type have already been received.

CHAPTER I

THE UNITED KINGDOM MARKET FOR AGRICULTURAL PRODUCTS

Foreword

We believed it desirable to begin this report by summarizing the chief characteristics of the United Kingdom market as far as agricultural products are concerned. The main purpose of this is to indicate the size of the market, its chief peculiarities, and the severity of the competition that the producer or exporter in Canada has to face.

Farms in the United Kingdom and Canada

The population of Great Britain and Northern Ireland at the last census (1931) was 44,500,000 persons, spread over an area of 95,000 square miles, or 468 persons per square mile. The population of Canada in the same year was 10,377,000 persons, spread over an area of 3,466,556 square miles, or 2·99 persons per square mile.

In 1934 there were 454,361 farms in England, Wales and Scotland, and there were 728,623 in Canada in 1931. Acreage figures show a very wide disparity; in 1931 occupied acreage in Canada amounted to 163,000,000 acres, whereas the figure for Great Britain was approximately 14,000,000 acres. More than half the farms in Britain are of less than 50 acres. In spite of this, however, the number of agricultural workers is almost the same,—i.e. 1,128,154 in Canada and 1,281,531 (male only) in Great Britain (1931). This is caused principally by the differences in the methods of farming—i.e. extensive in Canada, and intensive in England as far as cereals are concerned—and by the fact that farmers in the United Kingdom are principally interested in live stock and live stock products rather than in grains.

Contrast between Agricultural Production in Canada and the United Kingdom

As the following table shows, more than half the value of agricultural production in the United Kingdom is accounted for by live stock and dairy products, whereas in Canada these branches supply only 30 per cent.

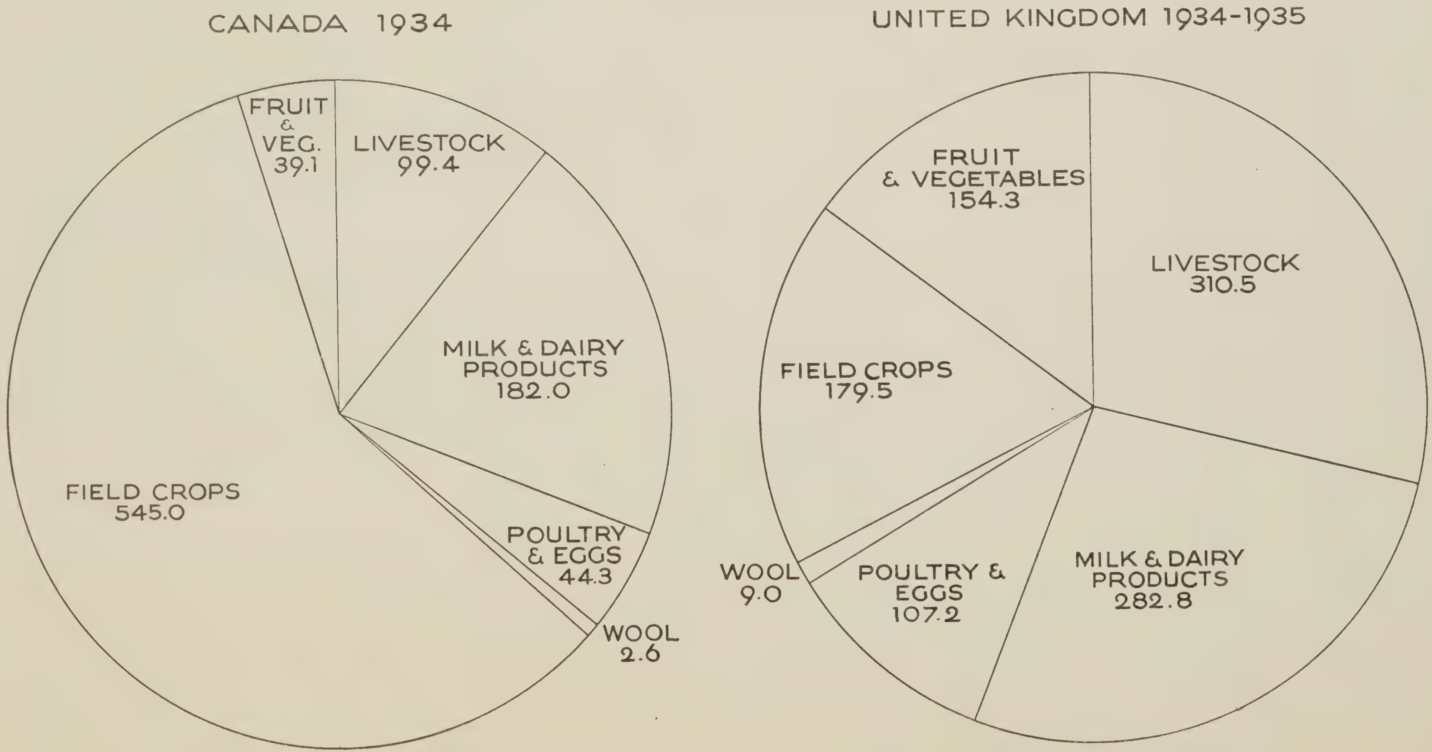
VALUE OF AGRICULTURAL PRODUCTION

—	Canada (1934)		England and Wales (1934-35)	
	$	%	$ *(a)*	%
Live stock	99,438,000	10·9	310,450,000	29·7
Milk and dairy products	181,966,000	20·0	282,800,000	27·1
Poultry and eggs	44,267,000	4·8	107,200,000	10·3
Wool	2,645,000	0·3	8,950,000	0·9
Field crops	544,975,000	59·7	179,500,000	17·2
Fruit and vegetables, etc. *(b)*	39,145,000	4·5	154,350,000	14·8
	912,436,000	100·0	1,043,250,000	100·0

(a) Value of the pound sterling taken as $5.00 throughout this report.

(b) Other Canadian farm products (e.g. fur-farming) excluded in order to use only those comparable with the U.K. list.

VALUE OF AGRICULTURAL PRODUCTION



FIGURES INDICATE VALUE IN $(000 000)

Statistics of the numbers of live stock on farms emphasize the same point; except for horses there is more live stock in the United Kingdom than in Canada.

NUMBERS OF LIVE STOCK ON FARMS, 1935

—	Canada	United Kingdom and Irish Free State
Horses	2,931,337	1,498,510
Cattle	8,820,600	12,678,357
Sheep	3,399,100	28,103,405
Pigs	3,548,200	5,619,143

The crops grown show the importance of live stock. For every hundred tons of wheat grown in Canada there are 170 tons of hay cut, whereas in the British Isles for every hundred tons of wheat 660 tons of hay are cut. In Canada the turnip crop is about one-eighth of the weight of the hay crop, but in Britain the turnip crop is slightly heavier than even the hay crop.* Of the productive land in England, Scotland and Wales, less than one-third is arable; the rest is pasture and grazing land.

Increase in Imports of Foodstuffs

One of the effects of the early years of the Industrial Revolution was the encroachment of industry upon farm lands. It was more profitable to export manufactured goods and to import foodstuffs from wherever they could be obtained most cheaply. By raising the standard of living of the working population, the birth-rate increased rapidly and the mortality rate declined. Thus the increase of population was very rapid. These factors made the United Kingdom the most important market in the world for foodstuffs.

In 1821 the population of England and Wales was only 12,000,000; by 1861 it had passed the 20,000,000 mark; and by 1901 it was over 30,000,000. These increases of population were not accompanied by any increase in farm production. Before the Great War the British bill for imported food, drink and tobacco was $1,450,000,000. A higher standard of living generally, combined with higher prices, doubled this figure after the Great War; in 1924 and 1925 imports in these classifications were valued at $2,850,000,000. For the next four years the amount was fairly steady at $2,650,000,000 but from 1930 the general decline in the prices of primary products caused a reduction in the value which reached $1,700,000,000 in 1933. The pendulum has now swung back, and imports in 1936 amounted to $1,914,640,000.

The 1936 figures were as follows:—

IMPORTS INTO THE UNITED KINGDOM OF FOOD, DRINK AND TOBACCO, 1936

	$	%
Meat	349,145,000	20·6
Grain and flour	347,875,000	18·2
Dairy produce	336,835,000	17·6
Beverages and cocoa	225,165,000	11·7
Fresh fruit and vegetables	185,355,000	9·7
Tobacco	92,690,000	4·8
Feedstuffs for animals	42,415,000	2·2
Living animals for food	36,205,000	1·9
Other food	254,955,000	13·5
Total	1,913,640,000	100·0

*Based on 1935 production figures.

Re-exports of these imported foodstuffs in 1936 were valued at $58,400,000 —i.e. of the food, drink and tobacco imported, products to the value of $1,855,-240,000 (or 97·0 per cent of the total value of imports) were retained for home consumption.

Severity of Competition

Up till 1931 the British market (as far as foodstuffs were concerned) was entirely free; all countries could ship their products in unhampered by any restrictions or quota regulations. The result was that there was extremely keen competition to take advantage of this market. Producers in all countries studied the market with extreme care in order to ship the exact quality, type and grade that the market required and in many instances they made products specially for the United Kingdom.

Their efforts have been assisted by the characteristics of the buying public and the food trade of the United Kingdom. The British housewife is extremely conservative. If she is accustomed to buying a particular product, she likes to keep on buying it, and it requires a great deal of effort and time to make her change.

Necessity for Consistent Quality and Steady Supply

This is reflected in the attitude of the distributing trades. They want a steady supply of what they have been accustomed to, and the quality must always be consistent. They are not interested in novelty; they want the products they have always bought—a steady supply with a steady quality.

This does not mean that the British housewife is not susceptible to change. She does change her ideas, but only slowly. Canned goods and prepared cereal breakfast foods, for instance, are now regular items on the menu, whereas a few years ago they were virtually unknown. The propaganda of the Empire Marketing Board surprised many people by its success at accomplishing a task that was thought to be almost impossible. The British housewife will usually pay a premium for a domestic product, even when (as often happens) the quality does not justify so doing, but with a majority of housewives and the trade Empire products come second. But neither will be interested in an Empire product purely for its own sake; it must come up to the proper standard.

The Future

This chapter would not be complete without some reference to the future. There are two factors of particular interest: (*a*) the future of British agriculture and (*b*) the future of the population level.

(*a*) *British Agriculture.*—The basic problem confronting British agriculture is how to lower the prices of foodstuffs to the industrial masses, and yet to make British farming sufficiently remunerative to keep farmers on their farms. Within recent years the Government has tried to regulate imports by the imposition of special import duties, quotas or a combination of both. These regulations have met with varying success and are really still in the experimental stages. There is the further difficulty—that an agricultural policy must take into consideration the possibility of war. Stockraising is ideal in Britain in time of peace yet is dangerous in time of war owing to the difficulty of bringing in feedstuffs in bulk. Therefore, the production of cereals, which can be imported more economically from abroad, is being encouraged, at least to a certain extent and the national policy tends to be one of compromise.

It may be taken as probable that commissions or boards to regulate the marketing of key products will be a permanent feature, though whether these boards will be controlled by the producer or by independent agencies is still unsettled. It is also probable that the Government will continue to protect the

interests of agriculturists in the United Kingdom. Canadian producers, however, should be prepared to place their products on the British market on a price and quality basis that can meet world competition.

(*b*) *Population.*—The birth rate in the United Kingdom has been falling steadily. In 1870 it was 35·5 per 1,000; in 1922 it was barely 20; and since 1932 it has been less than 15 per 1,000. A stationary level of population is certain, therefore, in the near future,* and it is more than likely that the population will decline. If this comes about, the market will not continue to expand from weight of numbers, but it is not unlikely that a rising standard of living will result in a larger demand for the type of foodstuff that Canada produces.

Both the factors dealt with above emphasize the necessity for Canada to build up a steady demand in Britain for her agricultural products without any delay.

---

*See series of three articles in "The Economist," July, 1937.

CHAPTER II

LIVE CATTLE—BEEF AND STORES—DAIRY CATTLE AND DRESSED BEEF

Canada and the Irish Free State are the only countries allowed to ship live cattle for feeding or breeding purposes to the United Kingdom.

Imports of cattle of all kinds into the United Kingdom from the Irish Free State have ranged during the last ten-year period from a low of 458,164 head in 1934 to a high of 834,962 in 1930. In 1935 the exports from the Irish Free State were 592,644 head; in 1936 they were 657,301.

Exports from Canada to the United Kingdom were 37,759 head in 1936, according to the official British records, and 6,478 head in 1935. In 1933 and 1934 Canadian exports were 51,443 and 51,373, respectively, while in 1932 the figure was 16,724.

CATTLE IN THE UNITED KINGDOM

The cattle population of the United Kingdom has remained fairly constant during the last ten years.

CATTLE POPULATION, UNITED KINGDOM

1927	8,183,000
1928	7,978,000
1929	7,890,000
1930	7,758,000
1931	7,954,000
1932	8,306,000
1933	8,647,000
1934	8,741,000
1935	8,658,000
1936	8,622,000

(Figures given are June counts).

As will be noted from the above table the greatest increase has been from 1930 to 1935 with an increase of 900,000 or about 11 per cent. However, with the increased numbers of cattle the estimated production of beef and veal in the United Kingdom shows a steady decline from 1929-30 to 1932-33. The figures were 588·4 thousand tons, 550·8 thousand tons, 524·1 thousand tons and 518·8 thousand tons, respectively, and include imported store cattle that were finished and slaughtered in Great Britain.

The recent trend in cattle numbers and slaughterings suggests, states the Cattle and Beef Survey report of the Imperial Economic Committee (1934), that the present herds are sufficient with imports of stores at about their recent level to produce about 520,000 tons of beef and about 35,000 tons of veal annually without reduction in numbers.

THE BEEF CATTLE SUBSIDY IN THE UNITED KINGDOM

(*a*) Beef and Stores

It is, perhaps, too early to say what effect the recent granting of a subsidy for home-produced fat cattle and the imposition of an import duty on foreign chilled and frozen meat may have on the home production.

In 1934 the Government passed the Cattle Industry (Emergency Provisions) Act. This Act provided a subsidy of 5/- per cwt. for cattle of a certain grade at a cost to the Treasury of £4,000,000 a year. In late January and early

February, 1937, a bill was passed through the House enlarging the subsidy to £5,000,000 a year with additional subsidies for certain quality. Commencing August 1, 1937, a subsidy of 7/6 per cwt. was to be paid on quality home-bred cattle dressing 57 per cent and 5/- per cwt. on quality imported cattle dressing 54 per cent. Ordinary home-bred cattle could earn a bonus of 5/- per cwt., and ordinary imported cattle 2/6 per cwt. Also, under the Beef and Veal Import Duties Bill, effective February 18, 1937, a duty of ¾d. per lb. on all foreign imported chilled beef and veal was imposed, and ⅔d. per lb. on frozen beef. Furthermore, the Bill provided for the setting up of a Live Stock Commission with powers to operate the new system.

Between the Act of 1934 and the reconsideration leading to the Act early in 1937, the quality of home-killed beef deteriorated with the result that price spreads between the home-killed and the Argentine chilled product narrowed. It is interesting to note that the premiums paid for British first-quality beef over Argentine first-quality chilled averaged 44 per cent in 1924, went as low as 29 per cent in 1929 and stood at 32 per cent in 1933, and approximately 30† per cent in 1936.

Competition

Canada's only competitor in the live cattle trade in the United Kingdom is the Irish Free State. The latter is admirably suited in both climate and pasturage as well as in geographical position to supply the United Kingdom market with both fats and stores. In 1933 more than 4,000,000 head of cattle were in the Free State, or about 135 head per 100 population, which is more than in any other country in Europe.

As a result of the long-continued interest in the cattle industry by Irish Governments and the generally favourable market in Great Britain, the industry has flourished and the number of cattle has remained fairly constant. Aside from the political disturbances (1934), this condition has persisted, and the exports have remained almost unchanged.

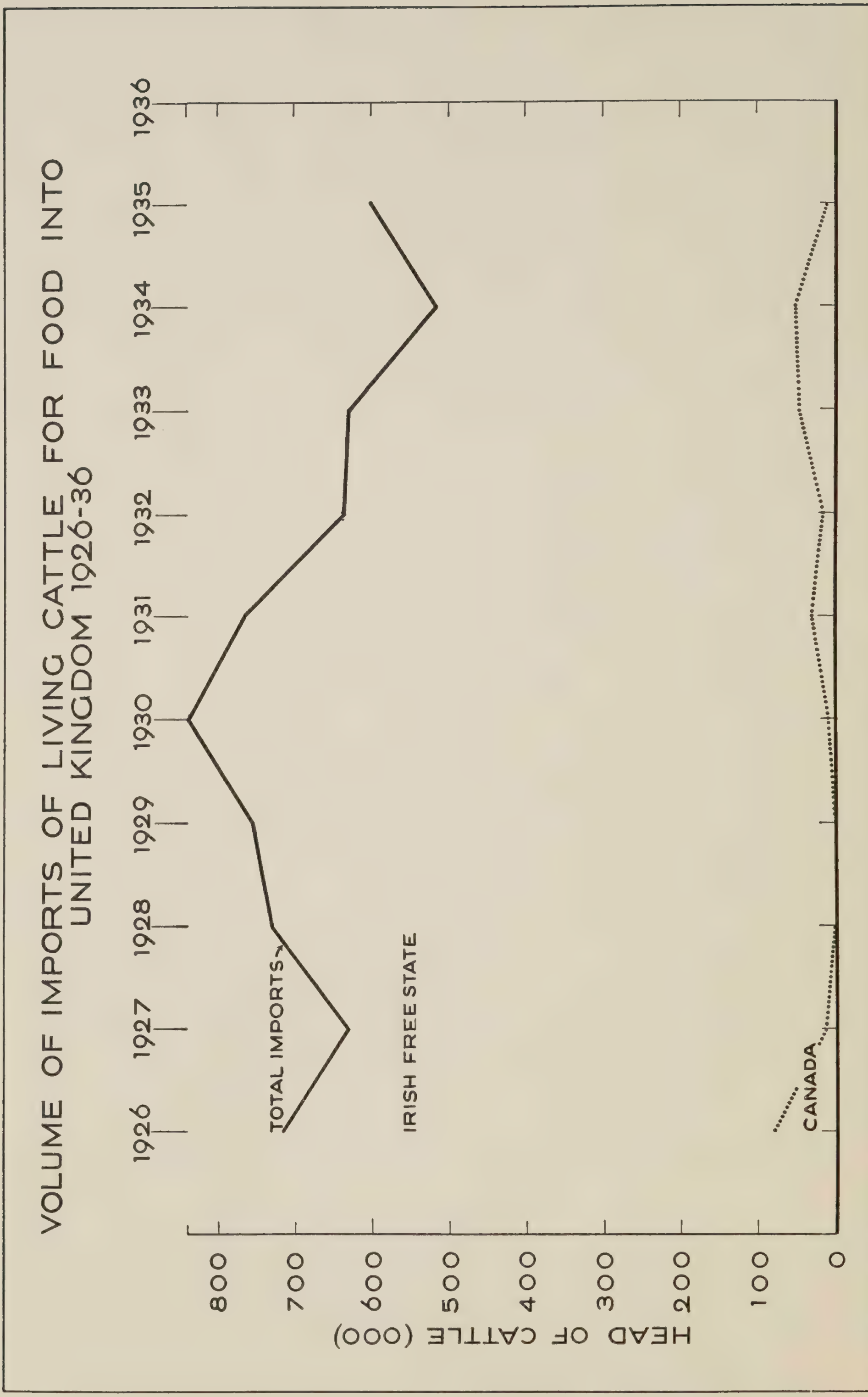
Imposition of import duties on Irish cattle by Great Britain in January, 1934, had an immediate downward effect on exports, but the numbers returned to the previous level in 1935, and were still greater (the highest since 1931) in 1936.

It is entirely likely that the Irish Free State will continue the present policy of cattle production and export. There is, however, a definite tendency to export yearling cattle instead of two-year-olds.

Canadian cattle exports to the United Kingdom over a period of years has been unsatisfactory in two respects. From the viewpoint of the Canadian exporters the market is uncertain, while the British buyer of store cattle is, under these conditions, unable to secure a regular supply of Canadian feeder cattle. These are young cattle of beef breeding, usually about two years of age, in good growing condition suitable to be finished for beef by the farmers of Great Britain. In Britain they are always referred to as "stores" or "store cattle." During the last ten years the shipments of beef cattle into the United Kingdom have been as follows:—

Year	From Canada	From Irish Free State
1927	7,669	629,001
1928	405	724,372
1929	–	749,510
1930	5,193	834,992
1931	26,991	738,967
1932	16,724	625,887
1933	51,443	582,174
1934	51,373	458,164
1935	6,478	592,644
1936	37,759	657,301

NOTE—Page 17—Import duties on Irish cattle. Since going to press advice has been received that the duty on Irish cattle has been removed.


VOLUME OF IMPORTS OF LIVING CATTLE FOR FOOD INTO
UNITED KINGDOM 1926-36
1926
1927
1928
1929
1930
1931
1932
1933
1934
1935
1936
TOTAL IMPORTS
IRISH FREE STATE
CANADA
800
700
600
500
400
300
200
100
0
HEAD OF CATTLE (000)

These figures definitely tell the story of Canada's lack of regularity of exports to the United Kingdom; while the Irish Free State's exports remain relatively constant.

Although the average run of cattle exported by Canada are superior in breeding and are also relatively a healthier sort than the cattle of the Free State, nevertheless, the latter country, because of her ideal climatic conditions and close proximity to the British market, will in all probability always hold a commanding position on that market.

Originally the vast majority of the beef cattle exported to the United Kingdom from Canada were finished or fats which were sold for immediate slaughter, but in more recent years the tendency has been toward the shipment of feeders or stores. These Canadian stores are popular on the markets and with the farmers of the feeding areas who find that they make rapid gains while in their hands and can usually be relied upon to return them a profit.

Cattle are fed in all parts of the United Kingdom, but the northeastern and northern counties of England and the southeastern counties of Scotland are particularly noted for their rich pasture and good cattle. The markets serving these areas are: In England, Birkenhead and Norwich; in Scotland, Glasgow, Perth and Aberdeen.

The type of feeder most in demand is a well-bred animal of one or other of the beef breeds that is in fair flesh and weighing about 1,120 lb. (10 cwt.).

Early in the season cattle lacking somewhat in condition are fairly acceptable as they will make good gains on grass, but as the season advances, better-fleshed animals are required suitable for late-fall and winter feeding in yard and stall.

Recommendations

1. We are forced as a result of a careful survey of the Canadian cattle trade in all parts of the United Kingdom to the conclusion that the services of a representative with special qualifications are needed in this field and, because of the very special nature of the work, that he should keep in close contact with the Department of Agriculture.

The sale of feeder or store cattle presents very different problems from those that arise in the marketing of other agricultural commodities. With processed or packaged goods, orders are usually placed with brokers in advance by letter for future delivery, whereas with live cattle, the sale is made only after the actual animals are inspected by the prospective buyer. This means that it is all important that those in need of store cattle are made acquainted with the merit of Canadian animals. This can only be done by actually interesting the farmers in the cattle feeding areas of England and Scotland in what Canada has to offer.

Because of the fact that live cattle are valued by the purchaser on their individual merit, the services of a specially qualified cattle man would be required. He must be a man thoroughly familiar with production costs and values in Canada and be an experienced judge of commercial cattle.

2. Although all sorts of cattle can be disposed of on the markets of the United Kingdom, at a price, nevertheless, it would appear that greater care should be exercised in the selection of feeder cattle intended for this market.

3. More attention should be paid to the breeding of cattle intended for this market. Beef type is desired, good conformation is essential, while a good solid colour also has a distinct market value.

4. Large and badly placed brands (on rib or flank) are objected to and discounted somewhat in the sale ring. Attention of ranchers should be directed to this problem.

5. Although very young or light-weight feeders will sell well, the transportation costs (being computed on a space basis), are relatively too high as compared with rates on heavier animals.

As the ocean transport costs were based originally upon the movement of finished cattle (which were of decidedly greater value per head), and as now the trade is almost entirely confined to feeder or store cattle (of considerably less value per head), it would appear that an investigation of the present rates would be in order.

6. The movement of cattle destined for the export market would be assisted if feeding-in-transit rates were put into effect. This would permit cattle being held en route for finishing.

(*b*) Dairy Cattle

Five years ago the United Kingdom established new import regulations which permitted breeding cattle to enter this market. As a result, Canada shipped to the United Kingdom the following quantities:—

Years	Number of Canadian Dairy Cattle
1933	499
1934	1,119
1935	293
1936	640
1937 to July 31	411

Canada's only competitor in this market is the Irish Free State. The only condition imposed on the importation of Irish cows is that the duty must be paid. Unfortunately, statistics relative to the number of cows imported into the United Kingdom from the Irish Free State are not available, but it is a well known fact that Irish heifers and cows are imported in very large numbers. Canada's shipments shown above are relatively insignificant but there is no good reason why she should not get a very much larger share of this business. This trade presents great possibilities for Canadian breeders but suffers from several handicaps.

Some of the decisions of the inspectors for the British Ministry of Agriculture, who inspect all Canadian dairy cows upon arrival, have been the cause of some dissatisfaction among the shippers. There have been times when considerable numbers of what would appear to be excellent animals in certain consignments were rejected as unsuitable and were marked for slaughter. For the most part, however, and particularly in recent shipments only those which were obviously unsuitable have been rejected.

In addition to this there is still a small group of breeders who are opposed to the importation of Canadian dairy cows, but their influence seems to be growing less.

Both in England and Scotland the demand for Canadian Friesians is increasing. All the owners of the 13, or more, herds made up of Canadian-bred cows which were visited were enthusiastic regarding them. The same may not be said of Canadian-bred Ayrshires, as the consignments seen were not entirely acceptable to the trade. Most of the Ayrshire cows lacked scale, which the dairy farmer demands. Small teats and poor udders were not uncommon. Many of the individuals in the shipments inspected, as well as some of the cows from previous shipments seen on farms in Scotland, were not particularly outstanding.

The health of Canadian dairy cows is their highest recommendation when they are compared with dairy cattle from the Irish Free State.

The type of the Canadian-bred Friesian does not entirely conform with the British type as the latter is a thicker animal, with considerably more spring of

rib. However, the Canadian-bred cows in the herds inspected, were, in nearly all cases, found to be producing more milk than the British Friesians. A number of herds of Canadian-bred cows could be criticized, however, on account of the slightly lower butterfat content of their milk as compared with the home-bred cows. This feature is regarded by some farmers as an objection to our cattle.

From following the debates in the British House of Commons in recent weeks, one would gather that the Ministry of Agriculture and Fisheries is very seriously contemplating the inclusion of tuberculosis-free herds under the Milk Marketing Scheme. Tuberculosis-free areas patterned after the Canadian method have been discussed and, although considerable opposition may be expected, in all probability sentiment will grow in favour of safe-guarding the milk supply.

If this happens, Canada, being the only country in a position to ship tuberculosis-free cows, will be presented with a golden opportunity to supply the animals required for replacement purposes. As a direct result cows free from tuberculosis will, in the near future, command a premium in the United Kingdom.

Recommendations

1. Dairy cows, even to a greater extent than store cattle, are sold on individual merit. Their value is measured by age, type, breed, condition, colour, apparent milking capacity as indicated by development of the mammary system, quality and general appearance, as well as by many other intangible qualifications. This being so, it is obvious that the development of trade in dairy cows demands the services of a man thoroughly familiar with every phase of the dairy-cow business. We are firmly of the opinion that a great opportunity awaits Canada in this field if sound judgment is used in its development. Canadian cows are popular; they are in demand. Each new purchaser that can be secured and each new herd that can be established in Great Britain will be of great value in advertising our cows. We are convinced that the only man who can accomplish this is one who not only knows Canadian-bred dairy cows, but is also capable of discussing intelligently the merits of the home breeds used so widely by British dairy farmers.

2. There is every indication that the export of dairy cows to the United Kingdom is likely to continue. In fact, there are factors at work that would indicate that such an export business might easily become of considerable importance to Canada. This will depend almost entirely upon the quality of the animals exported, and, to ensure that they are entirely suitable, the government inspection at point of shipment would have to be rigidly enforced.

3. Official certificates certifying that all animals have been tested within a reasonable time of shipment and found to be free from tuberculosis and Bang's disease, should be furnished covering each animal in the shipment.

4. Cows for this trade should be capable of producing milk testing more than 3 per cent butterfat, preferably 3·5 per cent.

5. The greatest demand is for heifers carrying their first calf and within about two weeks of calving at time of sale. Young cows up to 5 or even 6 years of age if sound and of good type are also in demand.

6. Extreme dairy conformation is not looked on with favour, a rather thicker, fleshier type of animal carrying a well-attached and evenly-balanced udder being the type desired.

7. Good condition is important. Heifers well-grown and carrying plenty of flesh bring the best price.

(c) Dressed Beef

In 1935 the United Kingdom imported chilled, frozen and canned or tinned beef, in the following amounts:—

	Long Tons
Chilled	424,278
Frozen	148,905
Tinned or Canned	48,950
*Total	622,133

*Figures are from the United Kingdom Trade Abstract, 1935.

Between one-half and two-thirds of the beef imported to the United Kingdom is received through the Port of London and sold on the Smithfield Market.

Up to the present Canada has not found it possible to ship chilled or frozen meat with any degree of regularity to the United Kingdom market. This is due to several reasons, the most important being that the climatic conditions in Canada are by no means as favourable to low cost production of beef cattle as is the case in the South American countries which are engaged in this trade.

Because of low production costs and consequent huge business development, steamship companies have been induced to equip ships specially constructed for carrying and delivering their products to United Kingdom markets in perfect condition.

In the general chilled and frozen beef trade, Canada must meet the stiffest kind of competition from the South American countries as well as from Australia and New Zealand, all of which have been engaged in the business for upwards of 50 years, and consequently are now virtually in control of the market.

There is, however, a distinct possibility that Canadian fresh-killed beef might be successfully marketed in the United Kingdom. The British people still prefer home-killed beef and are willing to pay a premium for it. Canada, being the closest of all the Dominions, could possibly develop a market for a limited amount of fresh-killed beef which, if of good quality, might be expected to compete with the home-killed product.

There are many difficulties in the way, transportation of the product in a perfectly fresh condition being one of the most important. If it is frozen it is immediately classified as such. If this business is undertaken, it must be on such a basis as will allow the product to be classified as Canadian Fresh Killed in order to secure a premium over the regular chilled and frozen supplies.

The demand now is definitely for lighter animals. Carcasses weighing 450 to 500 pounds are the most popular, and command the highest prices. Cattle such as make the best baby beef would suit the trade. The fact that Canadian beef would be grain fed would enhance its value, as carcasses would present a superior appearance on account of the white colour of the fat.

Recommendations

1. Some investigational work has already been done on dressed beef. We would suggest that several small trial shipments be made to demonstrate whether or not the product can be landed in the British market in a fresh, satisfactory condition.

2. Care should be taken to ship in either full sides or short sides as all home-killed beef is handled in this manner. All frozen beef shipped to the British market is quartered.

CHAPTER III

HORSES

Considerable change has occurred in the horse situation in the United Kingdom during the last ten years. This change has affected both the draught- and light-horse breeds.

The number of horses in the United Kingdom has decreased steadily since 1922, a fact which is shown by the numbers listed below:—

Year	Horse Population
1922	2,096,728
1927	1,343,231
1932	1,161,998
1933	1,145,557
1934	1,126,332
1935	1,112,515

The above figures show a decrease of approximately 50 per cent, or 984,000 head. This decrease in numbers has been due largely to the growing displacement of the horse by the tractor in agriculture and by the automobile and truck in transport.

During the period of this decline brought about by the mechanization of agriculture and changes in transport, the demand for horses lessened. Consequently horse prices fell to the lowest levels in several decades, placing the industry at a low ebb and curtailing breeding. The results are that to-day because of their scarcity horse prices throughout the United Kingdom have increased to the extent of approximately £10 to £20 per head in the last year.

Importation of work horses into the United Kingdom was steady from 1927 to 1931 and ranged from 9,505 head in the first-mentioned year to 7,657 head in 1931. In 1932 the number dropped to 5,994 and in 1933 to 3,884. Beginning in 1934 the number increased to 6,188, reached 9,211 in 1935, and achieved a ten-year high mark of 10,664 head in 1936.

Among the exporters of horses to the United Kingdom the Irish Free State stands high. In 1935 the Free State shipped 4,973 head, and in 1936, 5,381 head, which, for the most part, were saddle horses. Belgium stood next in 1935 with 2,547 head and in 1936 shipped 2,622, while in 1936 Lithuania contributed 770 head, and Poland 540 head. Canada in 1935 contributed 191 head and in 1936, 275 head.

The supply of light horses in both the United Kingdom and Ireland has been drawn on by foreign countries for army remounts, Italy and Russia being the principal buyers. This shortage has resulted in a price increase which opens this market to Canadian shippers at the present time.

In June, 1937, a shipment of eighteen Alberta saddle horses was made to Somerset. These were intended for hunting purposes and were exceptionally well received. The outlook is most encouraging for further shipments of a limited number of saddle horses; the type desired being a horse standing 15·3 to 16·2 hands, young and of good conformation, clean flat-boned, with high withers, short back and level quarters. The most suitable type for this purpose is usually sired by a Thoroughbred of good size, but may be out of ordinary range mares of good conformation with quality and size. Canada can furnish a considerable number of this kind.

The stamina of these horses together with their performance and ability to take care of themselves both in shipping and under the saddle, received the most favourable comment. Horses of the hunter type, well-mannered and capable, are in considerable demand, good ones realizing up to £100 in England.

It is not recommended that light horses be consigned to public auctions as such procedure may result in unfavourable prices, or, the horses remaining unsold. These horses are best sold by private treaty and the sale depends entirely on the individuality of the horse coupled with his suitability for hunting purposes and his performance and manners. It is vital in the best interests of the shipper that reliable consignees be found to act as agents or brokers with authority to hold the horses for a short period, if necessary, to await more favourable prices. For example, horses can be held for about one shilling per day on pasture. The best period for sale of hunter-type horses is from July to September.

The sale of 80 Canadian-bred draught horses at Perth, Scotland, was a fair example of the market demand for this type of horse, and of the price range in the market in the United Kingdom. The shipment averaged £57 per head with a top of £91 and a low mark of £41. This shipment was an average lot of Canadian-bred horses weighing 1,600 pounds and over, standing 16 to 17 hands high, and in only fair condition. A few carried too much age, but were sound, and for the most part of good conformation and were well-broken, which is important.

Shippers of draught horses will find a better market in the north than in the south of the United Kingdom. Care should be taken that horses shipped are sound, well-broken, young, and that they arrive in the period March to May. It is not necessary to have the horses fat, but good frames are necessary. The northern markets want plenty of scale.

Recommendations

1. Only sound, well-broken draught horses of good conformation, standing 16 hands, or over, and of good size should be sent to the United Kingdom market.

2. The best selling ages are four to five years although older horses up to eight years can be sold provided they are sound and in good condition.

3. Shippers should try to offer draught horses in the United Kingdom market in March, April and May.

4. Light, or hunter-type, horses should be offered during the summer and early autumn as this is the season when they are most in demand.

5. Good manners and good mouths add greatly to the value of hunter-type horses. Care should be taken in this respect to avoid loss or disappointment in shipments.

6. The value of a saddle horse varies with the individual animal and depends on a multitude of characteristics with which the representative must be familiar and which he must be able to evaluate correctly. He must be familiar with and able to recognize the type required for saddle purposes, whether it be for cross-country riding, hunting in rough or moorland country, or for estate or park use.

The same is true of the draught horse. These are also purchased singly and are selected by the purchaser as the animal most suitable for his particular needs. The representative must be not only familiar with horses and horse breeding in Canada, but also must know exactly the type of horse most suitable for the British trade, whether it be required for lorry, cart, van or for work in chains on the farm.

We are of the opinion that good work can be done in this field by a specially qualified man whose duty it would be to interest prospective purchasers in Great Britain with the outstanding merit of the Canadian-bred saddle and draught horse.

CHAPTER IV

PIG PRODUCTS—BACON AND HAM

HISTORICAL OUTLINE

One hundred years ago Britain was an exporter of pig products. To-day she is the greatest importer of pig products in the world, with approximately only one-third of the bacon and ham consumed within her borders produced at home.

Imports of pig products into the United Kingdom showed a continuous increase since the "forties" of last century, when they stood at a little over 35,000 cwt. per annum, until 1933. For several decades the United States held a monopoly in the export trade of bacon, hams and salt pork to Great Britain. In the " eighties " Denmark made her first bid for a share of this trade, a trade which has developed continuously until she is now the foremost country in efficiency and organization in respect to pig products.

Early in this century Holland had developed a large trade in fresh pork to the United Kingdom which exceeded in quantity all imports of pork from the United States, whether salted or chilled.

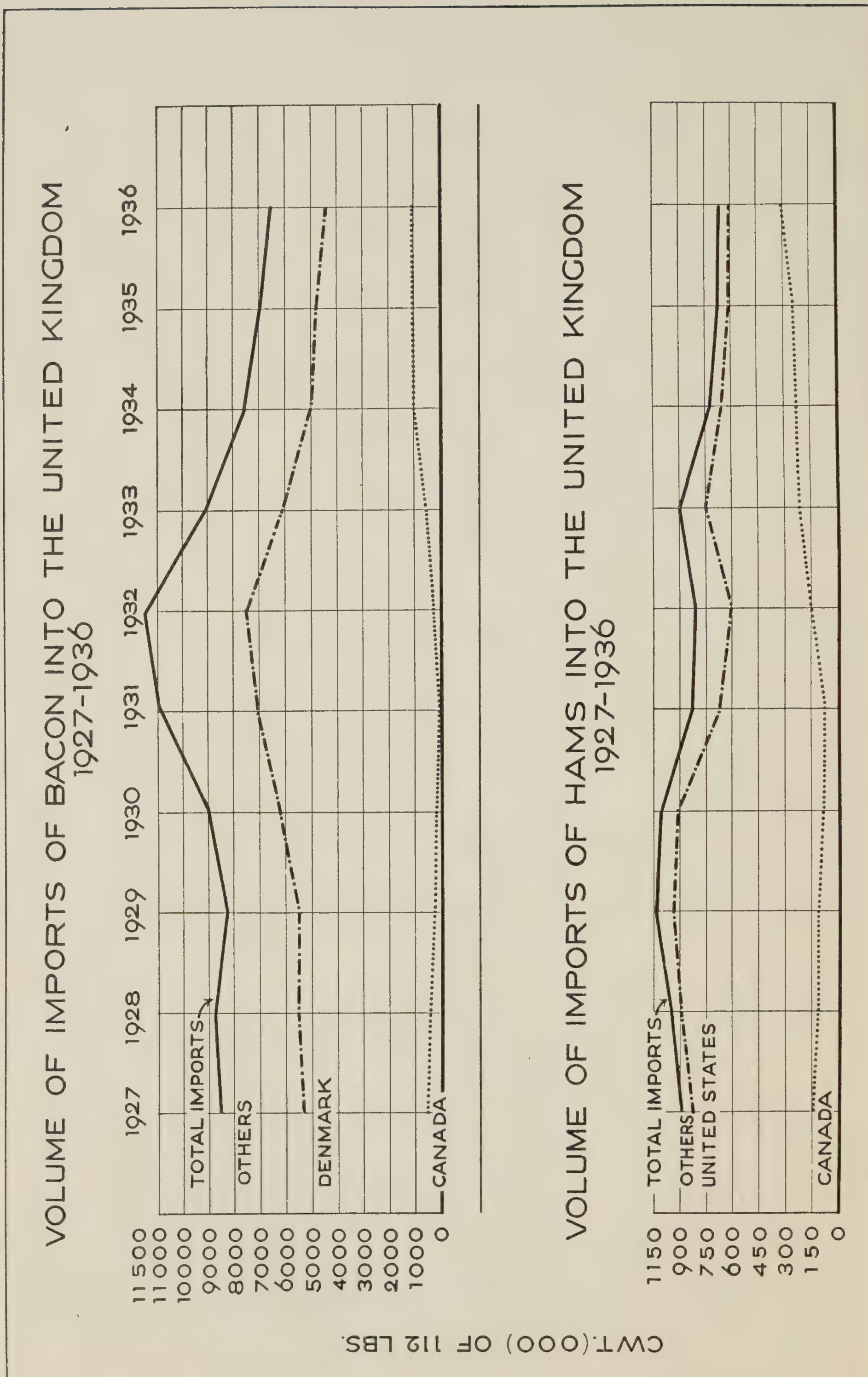
At the outbreak of the World War in 1914, Great Britain was importing nearly $8\frac{1}{2}$ million cwt. of pig products, the United States and Denmark contributing each more than 40 per cent of the bacon and hams, and Holland over 90 per cent of the fresh pork. Further changes took place. With the increase of population and consumption in the United States her share of the bacon trade has diminished to the advantage of Denmark, Holland, Sweden and the Baltic States.

In 1926 an embargo was placed on the importation of fresh meats from continental sources as a preventive measure against foot-and-mouth disease. This closed the market to Dutch supplies of fresh pork, a supply which is now largely provided by British and Irish farmers. In more recent years other sources of supply have developed. In 1928 pig products imported amounted to more than 12 million cwt., or 50 per cent more than pre-war imports. Practically the whole of this increase came from foreign countries. In 1912 foreign countries supplied 93 per cent, in 1913, 95 per cent of the supplies imported. In 1927 and 1928 foreign countries still supplied 91 per cent and 93 per cent respectively. Consequently, Empire countries actually supplied less of the import trade in 1927 and 1928 than they did in 1913.

Analysis of the British import figures for bacon for the last four years, however, shows a definite trend towards increased imports from Empire countries. In 1933 Empire countries supplied 8 per cent of the total imports; in 1934, 17 per cent; in 1935, 20 per cent; and in 1936, 24·3 per cent. Of this 24·3 per cent Canada supplied 16·6 per cent.

In 1933 Canada moved up from seventh to fourth place among the nations supplying bacon to Great Britain. By 1936 she had occupied second place among some 28 countries, a position she still holds, being exceeded only by Denmark which supplied 51·3 per cent of the total imports.

With the development of the bacon industry in European countries, imports into the United Kingdom increased to a record total in 1932 of 11.391.000 cwt. from the various contributing countries. The adoption of the regulation of imports from foreign countries by the British Government in 1933 caused imports to decline to 9.084.933 cwt. in that year, a decline which continued through to 1936 when 6,569,000 cwt. were imported. This decrease between 1932 and 1936 amounted to 4·8 million cwt. or 42 per cent.


VOLUME OF IMPORTS OF BACON INTO THE UNITED KINGDOM
1927-1936
1927
1928
1929
1930
1931
1932
1933
1934
1935
1936
TOTAL IMPORTS
OTHERS
DENMARK
CANADA
11500
11000
10000
9000
8000
7000
6000
5000
4000
3000
2000
1000
0
VOLUME OF IMPORTS OF HAMS INTO THE UNITED KINGDOM
1927-1936
TOTAL IMPORTS
OTHERS
UNITED STATES
CANADA
1150
900
750
600
450
300
150
0
CWT.(000) OF 112 LBS.

Bacon shipments from Denmark have declined in each of the last four years (1933-36). They decreased by 12 per cent in 1936, and were 51 per cent of the total imports as compared with 55 per cent in 1935 and 56 per cent in 1934. Canada as the second highest supplier sent 19 per cent more in 1936 than in 1935, while imports from the Irish Free State, which displaced the Netherlands as the third most important source, showed an increase of 10 per cent. Lithuania and Latvia increased their exports by 17 per cent in 1936, but other foreign countries showed decreases; both the Netherlands and Poland, each large suppliers, showing 5 per cent less.

Ham imports, too, have declined between 1932 and 1936. In 1932 imports amounted to 801,000 cwt. and in 1936 to 671,000 cwt. In supplying hams to the United Kingdom, Canada holds second place to the United States. Canada supplied over 41 per cent of the hams to the British market in 1936 compared with 49·5 per cent from the United States.

Imports of chilled and frozen pork, mainly from New Zealand, with some from Australia and a fair amount from Argentina, have increased rapidly in the last four years.

Some idea of the importance of this trade may be gained from the following import figures:—

CHILLED AND FROZEN PORK IMPORTS TO THE UNITED KINGDOM

(In cwts.—000 omitted)

—	1930	1931	1932	1933	1934	1935	1936
New Zealand	137	122	131	278	414	490	579
Australia	23	86	45	66	83	147	233
Argentina	74	81	109	166	277	187	190
Total from all countries	351	363	340	620	1,104	913	1,025

It will be seen from this tabulation that imports of frozen pork have materially increased since the establishment of the quota system under the Agricultural Marketing Act and Bacon Marketing Scheme in Great Britain with the main stimulus given to production in Empire countries, New Zealand being the main contributor. In fact, there has been a remarkable expansion in the last four years in New Zealand and Australian shipments.

Imports of chilled and frozen pork do not come under the bacon quota regulations but a considerable volume is now being cured as Wiltshires in England. The possibility of increased volume and competition from this class of product should not be overlooked.

Competition

The most important competitor is, of course, Denmark. Other countries shipping annually more than 100,000 cwt. into the United Kingdom are the Irish Free State, the Netherlands, Poland, Sweden, and Lithuania. As imports from these countries are governed by quotas, there is no need to describe their selling methods. There is, however, one historical comment that is worth making.

Before the quota was instituted, bacon was shipped in to the United Kingdom from a very large number of countries and was sold on its merits. There is still a prejudice against Canadian bacon, however, because immediately after the War much inferior bacon was sold and this, having been held in storage for some time, seriously damaged the reputation of Canadian bacon. At this time Denmark and other continental countries exported fresh, mild-cured bacon, and because of their geographical position their product was fresh and popular.

This gave Denmark, our greatest competitor, a chance to capitalize on her opportunity, which she did effectively. When the quota regulations came into force, all continental countries' supplies were cut to a minimum, which made the demand greater and the price, therefore, higher.

British Bacon Marketing Scheme

The British Bacon Marketing Scheme, formed under the Agricultural Marketing Act of 1931, came into effect on September 10, 1933, and covered all pigs sold for conversion into bacon in the United Kingdom and applied to all bacon and hams produced in Great Britain. The home industry was allotted a quota, based on the volume of bacon it could undertake to produce, with the remainder of requirements allocated to the various exporting countries as national quotas. Provision was made for the ordered expansion of home supplies at the expense of foreign supplies, any increase in the Dominion or Colonial share also being at the expense of foreign supplies.

Without developing the varying fortunes of the Bacon Marketing Scheme, such as the difficulties over fulfilment of pig contracts by producers, the setting of foreign quotas, the organization of the Bacon Development Scheme (Sept. 7, 1935) for nationalization of bacon production, and the apparent "collapse" of the Scheme early in 1937, it is necessary to show the effect the Scheme had on the home production, on foreign imports, and on imports from Empire countries.

Since 1930 the production of bacon and hams in the United Kingdom has about doubled, while home-produced fresh pork production has increased but slightly during the same period. This last statement is particularly true for the period 1933-1936 during which time the Bacon Marketing Scheme was functioning. In 1930 it was estimated by the British Ministry of Agriculture that the output of bacon and hams in Great Britain totalled 1,289,000 cwt. (including 1,013,000 cwt. of bacon).

In 1933 bacon production was estimated at 1,639,000 cwt. By 1934 home production of bacon and hams by registered curers under the bacon scheme amounted to 1,486,000 cwt. with an additional 250,000 cwt. made from imported pork—a total of 1,836,000 cwt.

The estimated production of bacon and hams in 1935 reached 2,376,000 cwt., which breaks down into 2,028,000 cwt. produced in the United Kingdom and 348,000 cwt. made from imported pork.

In 1936 home production was estimated at 2,756,000 cwt. of bacon and hams, which figure includes 433,000 cwt. made from imported pork, or a home production of 2,323,000 cwt.

Summarized, the production figures in Great Britain for bacon and hams are:—

	Cwt.
1930	1,289,000
1933	1,639,000
1934	1,736,000
1935	2,376,000
1936	2,756,000

Proposals for the future organization of the pig industry are at present under consideration, but the form which they will take has not yet been announced.

Production in Northern Ireland during the last three years has also increased as the following figures show:—

	Cwt.
1934	488,104
1935	583,507
1936	725,200

RECENT BACON ALLOCATIONS

The following table shows the quantities of foreign bacon, as defined in the Bacon (Import Regulations) Order, 1934, to be imported into the United Kingdom from each of the principal foreign countries during the period July 1 to August 25, 1937:—

Country	Allocation Per Cent	Allocation Cwt.
Denmark	63·5	516,280
Netherlands	9·5	77,240
Poland	7·95	64,640
Sweden	4·70	38,216
Lithuania	2·95	23,984
Estonia	0·75	6,096
Finland	0·40	3,252
Latvia	0·70	5,692
U.S.S.R.	0·85	6,912
Argentina	0·70	5,692
U.S.A.	8·00	65,043
		813,047

Market Conditions

Canadian bacon is sold on the British market in competition with bacon from many other countries. An English breakfast and bacon are synonymous, and consequently each individual is a bacon critic. Canada must, therefore, have a quality of bacon that will compete with the product from other countries.

The trade agreement of 1937 assures Canada the right to supply up to a total of 280,000,000 pounds a year. Article 5 of the Trade Agreement between Canada and the United Kingdom states the position as follows:—

> "The Government of Canada, recognizing that it is the present policy of the Government of the United Kingdom to promote the orderly marketing of bacon and hams and of meat in the United Kingdom with due regard to the normal development of trade, declare their willingness so far as their power extends to continue to assist the Government of the United Kingdom in carrying out this policy, and in particular, to furnish from time to time estimates of forthcoming shipments of bacon and hams and cattle and beef.
>
> As regards bacon and hams, the Government of the United Kingdom undertake:
>
> (1) that any duty or levy which may be imposed on bacon and hams imported into the United Kingdom shall not apply to imports of Canadian bacon and hams when consigned from any part of the British Empire;
>
> (2) that there will be no regulation by them of such imports unless the rate at which the trade from Canada progresses towards two and one-half million hundredweight per annum should become abnormal and such as to endanger the effective working of the system of supply regulation;
>
> (3) that no such regulation would be put into effect without prior consultation with the Government of Canada."

In recent years Canada has materially increased exports of bacon to Great Britain, while foreign countries have had to curtail their shipments. Foreign countries have endeavoured to take full advantage of the restricted volume by shipping only top quality bacon. For example, Denmark is exporting only sizable Wiltshires (55-65 pounds) of best quality. Hogs unsuitable for Wiltshires of this category are either returned to the farmer or utilized in the domestic trade at a very reduced price. This has created a tremendous incentive

to further improvement. The Wiltshires are also trimmed much more than previously, to permit of the greatest number of sides in the tonnage allocated. These factors have contributed to higher standards and better quality, which partially explain the price differential on Canadian bacon.

The increased volume of Canadian bacon exported during recent years has necessitated the shipment of a considerable volume of less suitable weights and second-grade product. Notwithstanding this handicap, remarkable improvement has been accomplished in transportation, butchering, handling, distribution, and the general condition of Canadian bacon. A high-quality product is essential if the highest price is to be obtained on the British market.

Canadian bacon for distribution in London and the Home Counties arrives at Surrey Docks, London. Dock facilities and storage space are very satisfactory. The bacon is transferred from the ship's hold to semi-refrigerated space, which is generally maintained at a temperature of 49 deg. F, or a portion is loaded in barges to be moved a short distance up the river to equally satisfactory storage space. Bacon for distribution in the Midlands is discharged mainly at Liverpool and Manchester ports, with small quantities at Hull and Newcastle. Storage space at the northern ports is not refrigerated, but since the volume is relatively small and is moved quickly facilities can be considered satisfactory.

The bacon moves from cool stores or docks direct to the wholesaler, multiple shops or retailers. In the London area the greater part of the bacon is smoked, and therefore must move through either the wholesaler or multiple shops which are equipped to smoke. In the Midland district the preference is for green bacon, and as a result a greater percentage of the bacon moves direct from the importing agent to the retailer.

Formerly long hooks were used by the stevedores, and these did considerable damage to the bacon. The use of long hooks has been discontinued and a bag hook is now used which eliminates any chance of marking. An improved type of sling has also been adopted and overloading of slings is prohibited. These changes have materially reduced mutilation of sides.

A Canadian representative from the Department of Agriculture is at present stationed in England for the purpose of inspecting the grading and condition of Canadian bacon on arrival. Representative bales from each shipment are inspected regularly and an inspection report reaches each packer through the Department at Ottawa.

The trade in general are unstinted in their praise of the improvement in Canadian bacon. There is, however, much to be done if Canadian bacon is to reach the same standard of excellence obtained by many competitors. The following observations are made to indicate what further improvement is essential.

Flavour.—It is generally agreed that the flavour of Canadian bacon is equal to that of any other bacon.

Colour.—Frequent observations are made that Canadian bacon has a tendency to discolour shortly after being cut. This condition is also true of other bacons, but particuarly of Canadian. This tendency makes the retailer apprehensive about handling our bacon, particularly in warm weather, since it deteriorates rapidly unless moved off the counter quickly.

Selection and Grading.—The grading and selection of Canadian bacon are not entirely satisfactory and must be improved. Selections are occasionally mixed, and, less frequently, grades are inaccurate. This has a tendency to create dissatisfaction, particularly with the small retailer. It is generally conceded that this fault is not entirely with the Canadian exporter since it is alleged that wholesalers do not always sell bacon according to the selection in which it was baled. To prevent this practice, certain other countries are now stamping the selection number on each side.

Workmanship.—Butchering has been greatly improved, and is equal to other bacons, excepting that the meat around the shoulder pocket, from which the shoulder blade has been removed, if often jagged and torn. There is also some variation in the singe from the different plants. Some improvement in the scraping would give the skin a better appearance. This applies more especially in the Midlands and the North where the bacon is sold green.

Weights.—The percentage of sizables (55-65 pounds) is much too small. While it is true that there is a market for out weights, it invariably is at a lower price level. Improvement in type and quality is a lengthy process, but tremendous improvement could be made in a very short time by having a greater percentage of the hogs marketed at suitable weights. This is one place where immediate improvement could be made.

Price.—There is a limit to the price which bacon can reach and still enjoy a free market. The limit of consumption set up by the Lane-Fox Commission was based on the quantity of bacon that would be consumed at a given price. When bacon prices reach approximately 100s. per hundredweight the demand recedes. The middle classes are the backbone of the bacon trade. If they can buy enough bacon with the money set aside for that purpose they do so, but if the quantity is not sufficient they will look for some other meat substitute.

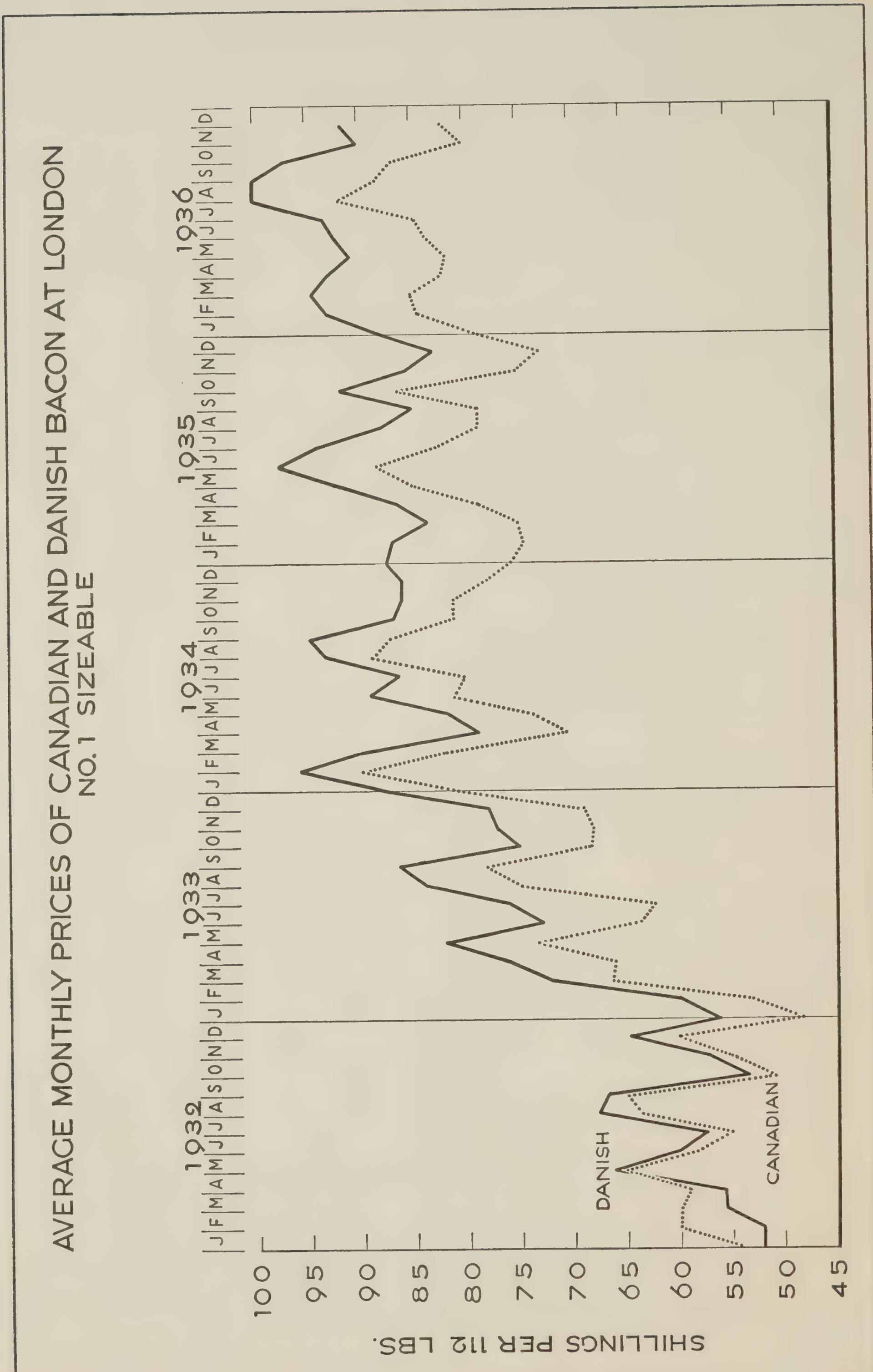
Since there is a limit to the price which can be obtained for bacon, it is essential that Canadian bacon secure the highest possible price. Generally speaking, Denmark has enjoyed the advantage of securing the top price of all imported bacon. A healthy export bacon trade will be difficult to maintain in Canada on the price basis of a secondary product. Continued improvement in quality is therefore essential.

Canadian bacon is handled by 11 importing agents and is sold through the same channels as all other bacon imported by England. The importing agent sells to the wholesaler or multiple stores, or to retailers on the amalgamated list, the requirements for the latter being at least 100 sides of bacon weekly. The wholesaler, in turn, sells and distributes to the smaller retailers.

The general opinion of the importing agents is that increased volume, associated with continued improvement, is all that is necessary to establish Canadian bacon in a favourable price position on the British market. This, however, can hardly be reconciled with the fact that other commodities offered in limited volume—for example, Canadian cheese and Irish bacon—command a premium in price.

Multiple Shops.—About 80 per cent of Canadian bacon is reported to be sold by importing agents direct to retailers and multiple shops. While sale to multiples is advantageous in point of volume, they prefer to merchandise under their own trade name and are reluctant to display Canadian bacon as Canadian bacon. As Danish bacon has a decided consumer demand, the retailer capitalizes on this fact by displaying it as Danish. This is also true of English and Irish bacon. Canadian bacon, along with Baltic, is consequently used as a secondary product and sold at a lower price. This condition may be best explained by the fact that Canadian bacon is not identified as Canadian bacon, and the consumer generally is not aware of its present merit.

Cuts.—Some of the larger wholesalers have made very definite representation in regard to the large volume of box cuts being shipped from Canada. During 1936 Canada shipped a total of 154,768,800 pounds of bacon and pork products to the United Kingdom. Of this total 93,644,513 pounds were shipped as Wiltshire sides; 37,109,089 pounds were shipped as hams; and 24,015,198 pounds were shipped as box cuts, i.e. fore-ends, picnics, butts, and backs. While accurate figures are not available, the percentage of box cuts was much higher in 1937.


AVERAGE MONTHLY PRICES OF CANADIAN AND DANISH BACON AT LONDON
NO. 1 SIZEABLE
SHILLINGS PER 112 LBS.
100
95
90
85
80
75
70
65
60
55
50
45
1932
1933
1934
1935
1936
J F M A M J J A S O N D
DANISH
CANADIAN

Wholesalers put forth the argument that the large quantities of Canadian cuts have a depressing influence on the price of Canadian Wiltshires because they are sold cheaper than the fresh cuts from a Wiltshire side. During the week of July 16, 1937, the official price per hundredweight of Canadian Wiltshires was 90s. The price of fresh cuts was 70s. for green fore-ends, 118s. for green backs, and 120s. for green gammons. The price given for box cuts was 66-68s. for fore-ends, 92s. for backs, and 112s. for gammons. The wholesaler's argument is that the sale of box cuts at these prices undermines the market for his fresh-cut Wiltshire. He is, therefore, unable to realize a profit and must, of necessity, buy his Wiltshire cheaper. While box cuts are worth less than cuts from Wiltshires, immediate consideration should be given to the influence on the Wiltshire market of the competition from these cheaper products.

Volume.—Great Britain is definitely dependent on imported supplies of bacon, and must always be assured of adequate volume. At present Canada is the second largest supplier. In 1932 she shipped 182,683 hundredweight to the United Kingdom, and in 1936, 1,092,401 hundredweight. Unless Canada is in a position to undertake delivery of an assured volume, Great Britain cannot be expected to jeopardize her position with regard to supplies from other countries.

Regularity of supply is, therefore, of supreme importance, and it has a very direct relation to price. The requirements of wholesalers and retailers are fairly constant from week to week. If they are handling Canadian bacon and their normal supply is reduced, they are placed at a distinct disadvantage as their competitor is probably assured of his regular volume. There is, therefore, a definite tendency to handle and push the sales of a bacon the regular volume of which can be relied upon. Because of quota regulations other countries always ship their regular volume; the trade therefore rely on other bacons for their regular requirements, and many retailers use Canadian bacon only when required to take care of fluctuations in demands.

Recommendations

1. We feel that action should be taken to develop better merchandising methods. This can undoubtedly be done if qualified representatives are made available, whose duty it would be to meet the trade constantly and to develop an interest in the Canadian product.

A careful survey of Canadian bacon, as it is handled in United Kingdom retail shops, failed to convince us that it was being merchandised in the best possible manner. On very few occasions was it advertised or sold as Canadian bacon. True, the merchants handling it are familiar with the product, but the great mass of the consumers have little knowledge of bacon other than the old-established lines such as English, Irish and Danish. We admit, of course, that the identification of bacon, a product retailed in sliced form, is difficult. We found definite evidence, however, that certain kinds were being asked for by the consumer. The reason appears to be, not that the brand requested was of better quality, but that they have been made familiar with a certain brand through continued advertising and merchandising practices.

2. Standards of quality must be maintained and improved.

3. As volume and continuity of supply are essential other efforts will be nullified unless this can be accomplished. It is recommended that careful consideration be given to the possibilities of assuring a regular volume of this commodity.

4. A much higher percentage of sizable Wiltshires is desirable in Canadian exports. Serious consideration should be given to the formulation of a policy which will encourage the marketing of a greater percentage of hogs of suitable weights.

5. There is a tendency on the part of Canadian exporters to increase greatly shipments of cuts to the United Kingdom market. Very careful consideration should be given to the influence of this class of product on the Wiltshire market with a view of arriving at some decision and, if thought necessary, of regulating the volume of cuts exported.

6. The grading and selection of Canadian bacon has greatly improved in recent years. There is a need, however, for further improvement.

7. We suggest that further investigation be carried on in connection with transportation problems, including movement by rail, handling facilities at docks, and ocean transportation.

8. Canadian bacon frequently discolours too quickly after being cut. Necessary investigation should be undertaken to ascertain and remove the cause, if possible.

9. It is recommended that exporters be required to brand the selection on each side of Wiltshire exported to prevent possibility of substitution.

10. The attention of the processors should be directed to the necessity for better workmanship in the removal of the shoulder blade in preparing Wiltshires.

CHAPTER V

DAIRY PRODUCTS

HISTORICAL OUTLINE

The United Kingdom, though not as large a consumer of dairy products on a per capita basis as some other countries including Canada, yet in the aggregate uses very large quantities.

Roughly speaking, both north and south of the West of England, is typical dairy country. Here from early times milk and milk products have been produced in considerable quantities. In early days difficulties of transportation prevented the farmer from selling very much of his milk in a liquid state; consequently, he used to make large quantities into butter and particularly cheese. With the development of transportation and the growth of large centres of population, the farmer found that he could sell far larger quantities of fresh milk. Consequently, the production of butter and cheese declined, and the United Kingdom started to import dairy products.

In 1840, 226,000 cwt. (112 lb.) of cheese were imported. The amount increased steadily, until by the end of the century the figure was over ten times as large. For the last ten years the average annual imports amounted to about 3,000,000 cwt., though there was a decline from this level in 1935 and 1936.

Imports of butter have increased very rapidly since the War. For the first fourteen years of the century about 4,000,000 cwt. were imported annually. In 1926 the figure was 5,819,000 cwt., and steady increases each year brought it past the six million mark in 1928, the eight million mark in 1931, and in 1934 the imports were 9,695,000 cwt. They have remained at approximately this level for the last two years.

As Canada is obviously not interested in the supply of fluid milk, and at the present time has little opportunity to export either butter or condensed milk to the United Kingdom, this chapter is mainly concerned with cheese.

Cheese

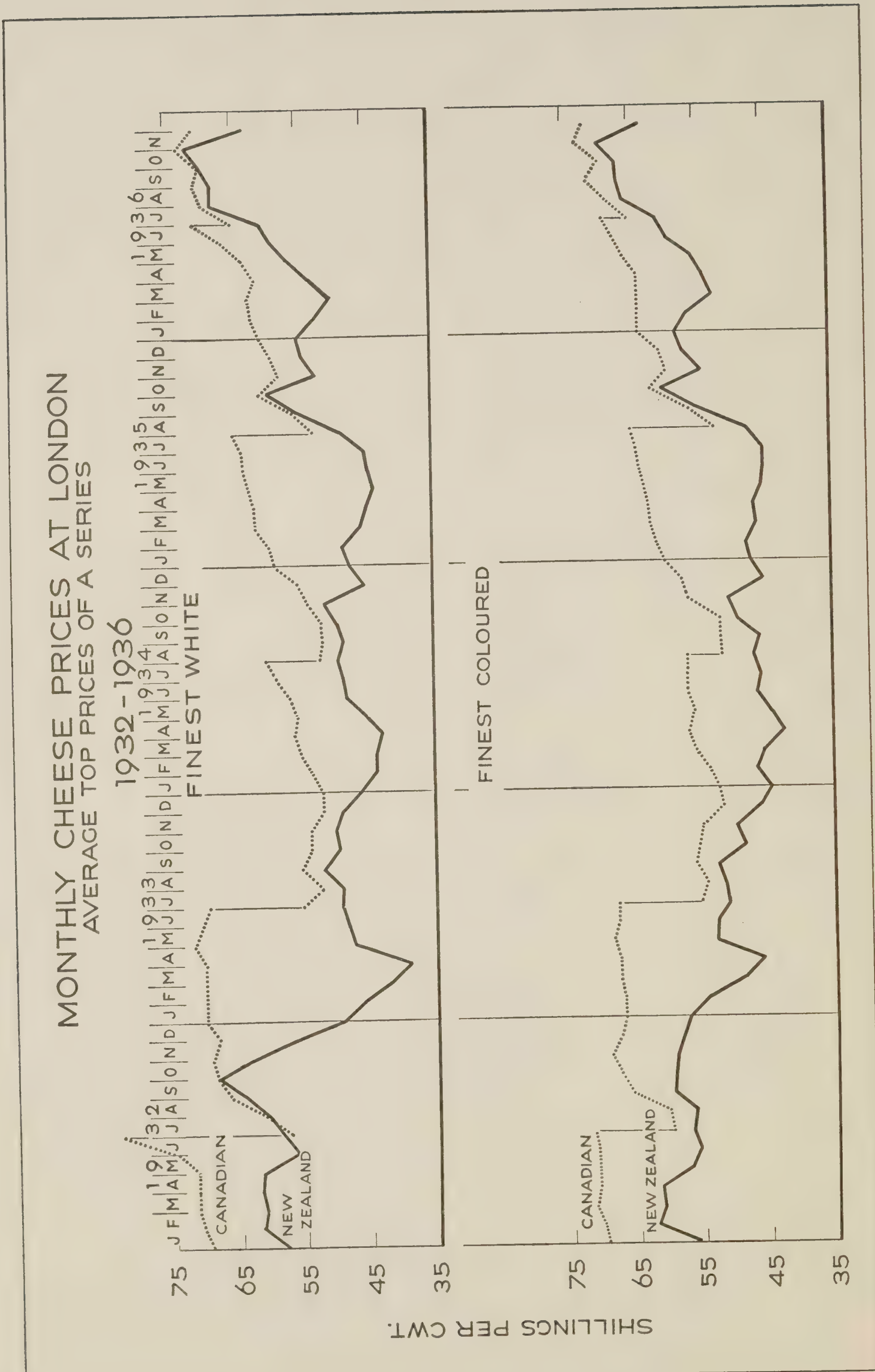
Before the Great War, Canada exported more cheese to the United Kingdom than any other country, but in recent years New Zealand has occupied the leading position. During the last ten years approximately two-thirds of the cheese imported by the United Kingdom has come from that country. The Canadian figures since 1928 have ranged between 469,000 cwt. (1935) and 747,000 (1932). The third exporting country, the Netherlands, comes some way behind, and only a small proportion of the cheese imported from the Netherlands is of the type produced in Canada.

The following table, which shows the differential in price between Canadian and New Zealand cheese (i.e. the amount in cents per pound, by which the Canadian is higher), may be of interest.

	Cents per lb.
1932	1·48
1933	2·18
1934	2·09
1935	2·54
1936	1·53

Though the price differential between Canadian and New Zealand cheese was lower in 1936 than in any previous year shown since 1932, yet there is no indication from these figures that there is any general tendency for the spread to

49052—6


MONTHLY CHEESE PRICES AT LONDON
AVERAGE TOP PRICES OF A SERIES
1932-1936
FINEST WHITE
FINEST COLOURED
CANADIAN
NEW ZEALAND
1932
1933
1934
1935
1936
J F M A M J J A S O N D
SHILLINGS PER CWT.
75
65
55
45
35

become narrower; in fact, the chart showing the monthly change in prices suggests that the price of New Zealand cheese was unduly high during the last six months of 1936. On the other hand, it is generally admitted that the quality of New Zealand cheese has improved within the last two years.

The Milk Marketing Board

The whole aspect of the marketing of dairy produce in the United Kingdom has been changed within the last three years by the establishment of the Milk Marketing Board.

Up until about 1930 there had been only a very small differential in the prices paid to producers for liquid milk and for milk used for manufacturing purposes. At that date, however, the gap widened considerably until the Government were compelled to intervene. In January, 1933, a Reorganization Commission appointed in April, 1932, under the Chairmanship of Sir Edward Grigg, presented its report. The English scheme came into operation on October 6, 1933.

Most of the details of the scheme (and of the three Scottish Boards) are of no concern here, but broadly the purpose of all the Boards is to obtain the maximum price for the producer. The most important step, therefore, is to sell as much as possible as liquid milk. The next most important channels are, in order: cream, condensed milk, cheese and butter. The Boards do all they can to divert the use of milk into these channels. In this they receive considerable amounts of government assistance and grants.

The first step was to encourage the consumption of liquid milk. This has been done by (1) a publicity campaign to which producers, purchasers and the Government have contributed; (2) a government subsidy to enable milk to be sold to schools and expectant mothers, etc., at a reduced price; (3) the establishment of milk bars, of which 700 are now in existence and of which the numbers are increasing daily.

The production of condensed milk has been encouraged by limiting imports by quota and by inducing factories to produce condensed milk rather than, for instance, butter. The production of cheese has been fostered by subsidizing its production on the farm by Government advances and by payments from the general funds of the Milk Boards.

The consumption of liquid milk has risen from about 44,000,000 gallons monthly to a point of 50,000,000 gallons, and this rise has been steady and will probably continue. In 1924 the production of farm cheese in England was computed at about 500,000 cwt. but when the scheme began, the figure had fallen to only about one-fifth of this. During the last three years production has increased steadily with the assistance given; the figures were as follows (years ending September):—

	Cwt.
1934-35	125,048
1935-36	158,536
1936-37 (partly estimated)	178,571

On the other hand, the production of hard cheese in factories was only 187,000 cwt. in 1924. In 1934-35 it was 815,984 cwt., though the output was lower in the two following years (558,036 cwt. in 1936-37). The production of condensed milk rose from 2,065,000 cwt. in 1934-35 to 2,278,000 cwt. in 1935-36, and to 2,434,000 cwt. in 1936-37. It is generally reported that while the quality of the cheddar cheese produced in the United Kingdom has been improved during the last two years, it is yet far from being equal to that of Canadian cheese.

It seems probable that a Board of some kind will be permanent, though it is quite possible that future Boards will not be entirely run by producer interests. In any event, the consumption of liquid milk is likely to continue to increase, and

as British experts do not believe that the production of milk in the United Kingdom will increase appreciably there is obviously an avenue left for the imports of manufactured products.

(A) CHEESE

Market Conditions

The percentage of total exports of cheese from Canada to the United Kingdom and Northern Ireland during 1936, as received at different ports, was as follows:—

Port	Per cent of total imports
London	58·53
Liverpool	11·00
Bristol and Avonmouth	8·26
Newcastle	3·79
Cardiff	3·71
Glasgow	3·16
Manchester	2·94
Leith	2·89
Aberdeen	1·59
Hull	1·49
Belfast	1·36
Swansea	0·86
Dundee	0·22
Southampton	0·16
Londonderry	0·04
	100·00

The quality of Canadian cheese is generally held in uniformly high regard by importers, wholesalers, and retailers in the United Kingdom, and the only complaint made by those interviewed was that some Canadian cheese made during the summer months and held for maturing, developed soft ends with resultant wastage. With this exception, those interviewed spoke in highest terms of the quality of this cheese.

It has been generally known in Canada for many years that a strong prejudice exists in the minds of United Kingdom dealers against Canadian cheese produced in October and November, and to a lesser extent to cheese produced in May. It is generally claimed by those in the trade that these cheese do not mature properly, and it should be noted that by this it is not meant that the cheese do not "break down" normally but rather that they do not develop a characteristic cheddar cheese flavour.

As cheese made in May almost invariably goes promptly into consumption, the criticism of it is not as serious as that with reference to cheese produced during October and November.

It is gratifying that the efforts of Canadian makers and exporters to correct this condition with reference to cheese made during October and November, 1935 and 1936 are showing results. Several instances of October and November, 1936 cheese having been held until July, 1937, and developing the characteristic cheddar cheese flavour were reported. Continued effort on the part of Canadian makers and exporters in this direction will, no doubt, be reflected in improved prices for cheese made during these months. The prejudice regarding these cheese, however, is so deeply rooted that, even with the best efforts that can be made in Canada, considerable time will probably be required to remove it.

Canadian cheese are probably, to a lesser extent than the New Zealand product, sold in the United Kingdom on a basis of the grade certificate. For this there are several reasons. The New Zealand product, having usually been made from pasteurized milk, may be more uniform than the Canadian product. Also, there may be, and frequently are, slight differences in type between different lots of cheese within the same grade, and the buyer naturally may wish

to determine for himself how the quality will suit his particular trade. This is particularly true with reference to cheese purchased after several months maturing, and the trade in the matured product is, in so far as imported cheese of the cheddar type are concerned, confined almost, if not entirely, to the Canadian product.

In any case there is no complaint as to the accuracy of the grading of cheese in Canada, and that it should have been accepted so fully, considering that the grading has in the past been done so soon after the cheese have been made, is rather remarkable. During 1923, the first year of compulsory grading in Canada, 22 per cent of the cheese graded were lower than first grade as compared with 4·48 per cent during 1936.

Apart from one importer, no complaint was expressed as to breakage of boxes. Some boxes are, of course, broken which is unavoidable, but breakage is now much less than it was before boxes were wired. Dealers, of course, would prefer to have all boxes unbroken, but all stated they would pay no more for cheese in boxes of which none were broken. In this connection it may be noted that the English and Scotch farm cheddar cheese are, and always have been, shipped and handled without any boxes, and these cheese almost invariably command higher prices than the Canadian product.

The Canadian box is a distinctive package as cheese from no other source is similarly packaged. Cheese from other sources than Canada are packed in crates, usually two to a crate, although cheese from some sources (notably Ireland) are packed in single crates. Canada's distinctive box leaves no doubt as to the origin of the product and prevents substitution of any other product for Canadian—at least in so far as whole cheese delivered to the retailer are concerned.

While opinions of dealers differ, the majority state that the sale of mature cheese is increasing, and this is particularly true of the London, Bristol, and Cardiff areas where Canadian cheese has widest distribution. (See percentage table above.)

The trade in mature cheese is almost entirely in Canadian and, while it is impossible to determine accurately the volume of Canadian cheese which is matured, it appears to be approximately 25 per cent of the quantity imported.

The sale of pasteurized processed cheese in packages is an important trade in the United Kingdom and Northern Ireland. In some areas (particularly in the Belfast area) this variety has largely supplanted ordinary cheddar cheese. Exact information as to the number of manufacturers of processed cheese, or of the quantity manufactured, is not available, but it is stated that the number of brands on the market is in excess of 100.

This product is usually sold in packages containing a number of small individual portions. The packages are usually broken by the retailer and the customer may purchase one individual portion. The cost of the product to the consumer is usually well up to fifty cents per pound, which is just about double the price of mature Canadian cheddar cheese.

When it is considered that the pasteurized packaged product usually contains from ten to fifteen per cent more water than cheddar cheese, one realizes what expensive food processed cheese really is. Opinions differ as to whether this cheese can retain its present popularity.

A most interesting and important aspect of this trade, as it affects the Canadian producer, is that most manufacturers of the processed variety consider that, to secure the desired flavour, they must use at least a considerable proportion of Canadian cheese and are, therefore, important buyers of the Canadian product.

Canada has two important advantages over competing countries in having, almost to the complete exclusion of competing countries, the trade in mature cheese for the retail trade and for the manufacture of pasteurized processed cheese. There is little doubt that with continued attention to quality, Canadian producers can retain these advantages.

Competition

Statistics with reference to quantities of cheese produced in the United Kingdom are not available but the officials of the Milk Marketing Board of England and Wales report, as indicated previously, that during the year ended September, 1936, the quantities of hard cheese produced in the factories and on the farms were respectively 791,872 and 158,539 cwt. (112 pounds), or a total of 950,411 cwt., or 106,446,032 pounds.

The following table shows the quantities of cheese imported in 1936 into the United Kingdom and Northern Ireland from different countries and the percentage of the total imports supplied by each country:—

Country of origin	Lb.	Per cent of total
Australia	10,192,896	3·40
New Zealand	188,288,464	62·81
Canada	67,484,592	22·51
Other British	3,437,728	1·15
Netherlands	20,332,704	6·78
Switzerland	1,909,488	0·65
Italy	1,568,560	0·52
Other Foreign	6,552,336	2·18
Total	299,766,768	100·00

Imports during 1936 were the smallest during any year since 1922.

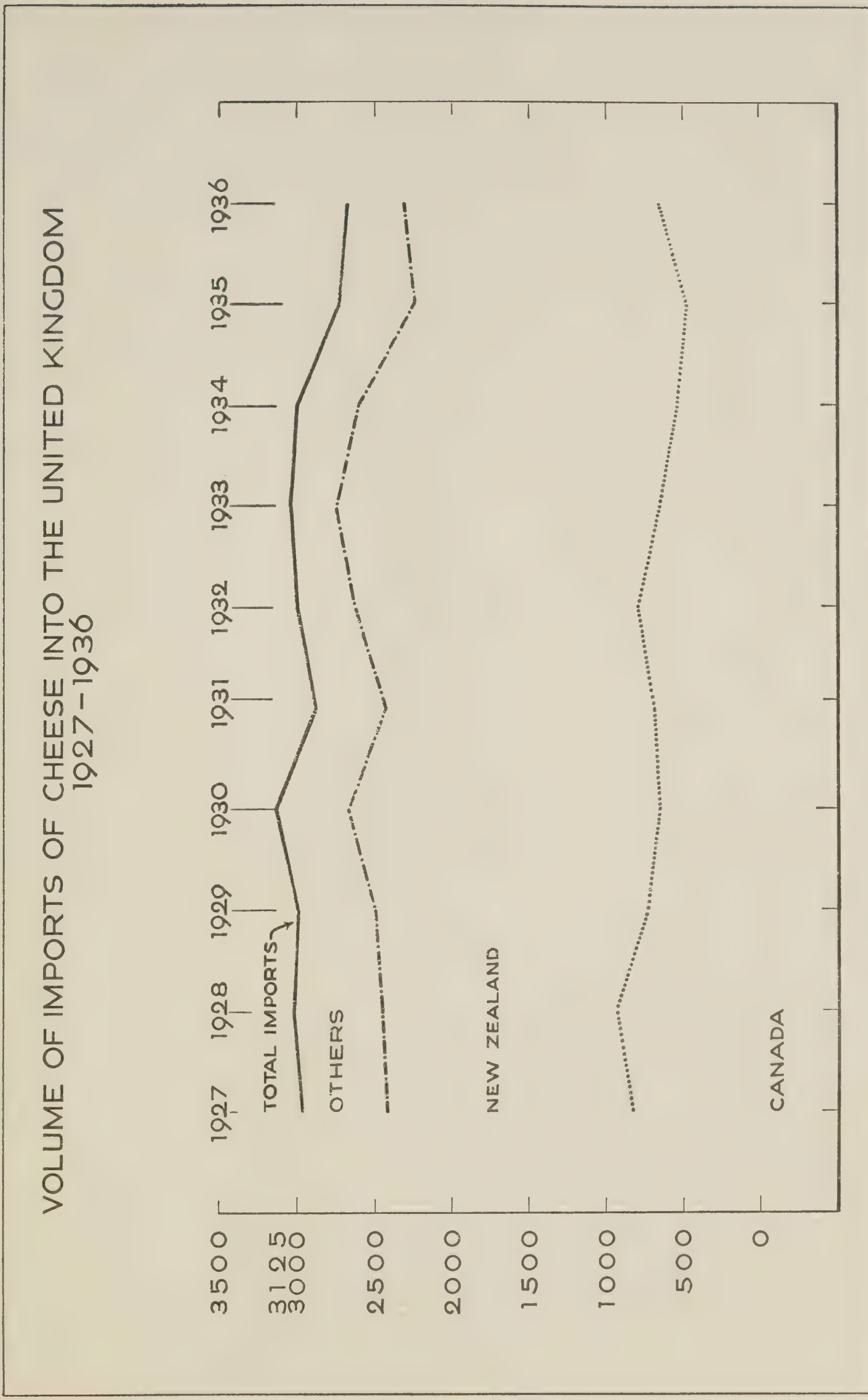
The cheese imported from British countries comprises 89·87 per cent of the total, and this cheese is practically all, if not entirely all, of the variety produced in Canada. The 10·13 per cent of the total, which originates in foreign countries, is practically all, but not entirely all, of other varieties such as Edam, Gouda, Roquefort, Camembert, Gorgonzola, Parmesan, etc.; that is, Empire countries have practically a monopoly with respect to imports of the principal variety produced in those countries.

Imports from Australia to the United Kingdom increased from 5,361,440 pounds in 1930 to 15,035,888 pounds in 1935 and declined to 10,192,896 pounds in 1936. It is not probable that exports from Australia will increase greatly during the next several years.

Imports from New Zealand reached their peak at 234,309,600 pounds in 1934, since when there has been a decline each year to 188,288,464 pounds in 1936. New Zealand officials state that, while production during their statistical year ended July, 1937, will show an increase of approximately 5 per cent, it is not anticipated that there will be any considerable increase in production during the next few years.

Imports from Canada during 1935 amounted to only 52,565,072 pounds, the lowest during any year since 1882. They increased to 67,484,592 pounds in 1936 and will be still greater in 1937. Production of cheese in Canada during the six months ended June, 1937, was 15·3 per cent greater than during the same months of 1936.

The total supply of cheese available in the United Kingdom during 1936 from all sources (home production and imports) was 9,400,000 pounds less than during 1935. The advance in the average quotation of Canadian and New Zealand cheese in London during 1936, as compared with that of 1935, was


VOLUME OF IMPORTS OF CHEESE INTO THE UNITED KINGDOM
1927-1936
1927
1928
1929
1930
1931
1932
1933
1934
1935
1936
TOTAL IMPORTS
OTHERS
NEW ZEALAND
CANADA
3500
3125
3000
2500
2000
1500
1000
500
0

equivalent to 2·2 cents per pound and the average price during the first six months of 1937 was 1·85 cents per pound higher than that of the same period of 1936.

It is stated by some keen observers that *under present economic conditions* in the United Kingdom, the saturation point, if not already reached, has been almost reached, and that any considerable increase in total supply over that of 1936 will depress prices. It is expected that, owing to less production of milk in the United Kingdom during 1937, the quantity of cheese produced will be almost 24,000,000 pounds less than during 1936.

Recommendations

Canada's success in marketing cheese in the United Kingdom depends on the quality of the product, and every possible effort should be made to improve the quality still further. Of the cheese graded in Canada during 1936 only 4·48 per cent were lower than first grade. It should be possible to reduce further the percentage of low-grade cheese, but it appears that Canadian producers must look more to improving quality through raising the average score. Minima scores for first grade are 39 points for flavour and 92 points total score. Of all cheese graded in 1936, 47·5 per cent reached scores of 40 or higher for flavour and total scores of 93 or higher. Canadian makers will, no doubt, continue to concentrate on endeavouring to raise the average score.

Continued effort should be put into the endeavour to improve the quality of cheese during October and November and to eliminate " soft ends " on cheese. Good progress in this direction has been made during the past two years, and continuation and extension of the effort made during these years will remove, to a great extent, this source of loss to the milk producers.

Some boxes reach the retailer in a broken condition, but it appears that these are relatively few and it does not appear that any direct loss results therefrom. The condition is, however, not creditable and, while it would not appear at all advisable to change from the present type of package, steps should be taken to so strengthen the box as to materially reduce whatever breakage now occurs.

The present distribution and merchandising position in the United Kingdom is not entirely satisfactory. On more than one occasion we found Canadian cheese being offered for sale as an American product with the printed sign "American Cheese" above it. The storekeeper in question knew that it was Canadian cheese but was quite indifferent to the fact and stated that many of his customers knew it only as American cheese. Among scores of provision shops visited in all parts of Great Britain, it was the rare exception to find Canadian cheese sold as such. In other words, it was being sold simply as cheddar cheese or, in a good many cases, as an Empire product.

Its very close resemblance to the British home-cured cheddar means that it is comparatively easy for a storekeeper, if he so desires, to substitute it for the home product. It is very apparent the consumer is not very familiar with and actually does not ask for Canadian cheese despite the fact that the agents, wholesalers and provision merchants generally are familiar with its origin and value.

In view of this unsatisfactory condition, it is felt that definite action should be taken to improve the merchandising of Canadian cheese. Although our boxes are distinctive, the ultimate consumer never sees them. Consequently, some method of identifying Canadian cheese in the retail shops seems advisable. The placing on cheese of a mark that cannot be removed is admittedly difficult, but, nevertheless, the possibility of devising a suitable mark should be explored. In any case, it would be possible to furnish shopkeepers who handle Canadian cheese with suitable labels for the product. This is a common practice in retail shops and one followed by other Empire countries.

(B) BUTTER

Market Conditions

Canada cannot at present be considered a factor in the butter supply of the United Kingdom, and no doubt a considerable portion of the butter that is imported from Canada is used by blenders and thus loses its identity. Yet many importers and dealers have a friendly interest in the Canadian product. Imports during 1936 are considered to have been more satisfactory from the standpoint of quality than imports of many years previous; and this improved standing has been due, in a large measure, to the lower and more uniform salt content, in addition to improved quality otherwise.

Competition

The quantities of butter imported into the United Kingdom from different countries during 1936, together with the percentage of the total contributed by each, were as follows:—

From	Lb.	Per cent of total
Irish Free State	52,446,464	4·80
Union of South Africa	8,455,776	0·77
Australia	189,752,864	17·37
New Zealand	312,694,368	28·63
Canada	4,433,000	0·42
Other British countries	7,564,328	0·69
U.S.S.R. (Russia)	46,486,160	4·26
Finland	17,893,232	1·64
Estonia	13,028,848	1·19
Latvia	21,996,352	2·01
Lithuania	23,614,304	2·16
Sweden	16,737,616	1·53
Denmark	243,100,704	22·26
Poland	31,162,848	1·94
Netherlands	83,563,312	7·65
Argentina	15,963,136	1·46
Other foreign countries	13,335,504	1·22
Total	1,092,228,816	100·00

United Kingdom trade returns show no butter imported from Canada during 1930, since which year the maximum quantity has been 8,656,900 pounds (1931).

Recommendations

While it appears that Canada's exportable surplus of dairy products to the United Kingdom markets will be for many years in the form of cheese, yet, due to changes in the relative values of cheese and butter in Canada as well as to other influences, it may be necessary during some years to export surplus butter.

Butter makers should continue their efforts to improve the quality of the product, not only on account of the better prices which may be realized for the relatively small quantities which may be exported, but to a greater extent on account of the effect of the export value on the price of the much greater quantity marketed in Canada during periods of export movement.

(C) CONCENTRATED MILK

Market Conditions

The quality of Canadian concentrated milks is excellent, but for various reasons the quantities imported in the United Kingdom are not large.

Imports from Canada of sweetened condensed milk declined sharply between 1932 and 1936 and imports of milk powder have been much less during 1937 than during 1936. Canada's interest has been chiefly in unsweetened condensed milk and the increased Canadian production of this commodity during 1937 is reflected to some extent in increased exports to the United Kingdom during the first six

months of the year. A large portion of Canada's exports of dried milk consists of dried skim-milk and the volume of this product exported during 1937 has been restricted by a very active domestic market in Canada. The volume of this commodity which may be profitably produced in Canada, is to a considerable degree limited by the extent of the market available, at remunerative prices, for sweet cream and by relatively higher prices for cheese than for butter.

Other developments during recent years have prevented Canada from being a more important factor in the import trade of concentrated milk products. One important international company has opened a branch in the United Kingdom from which its requirements are now supplied, and manufacturers in the United Kingdom have increased their capacities. As already stated, the Milk Marketing Board of England and Wales is encouraging the production of concentrated milks, and it does not appear probable that the United Kingdom will in the future draw greater quantities of these commodities from Canada.

Competition

The chief competitors for concentrated milks are the Netherlands, Denmark, Belgium and the Irish Free State.

The quantities of concentrated milk products imported from Canada and the total net imports (total imports less exports) during the calendar years 1932 and 1936, and during the six months ending June, 1937, were as follows:—

SWEETENED CONDENSED MILK

—	From Canada	Total (Net)
	cwt. (112 lb.)	cwt. (112 lb.)
1932	27,625	205,413
1936	2,760	89,347
Jan./June 1937	1,067	42,973

UNSWEETENED CONDENSED MILK

1932	66,301	394,578
1936	65,070	230,853
Jan./June 1937	40,817	124,458

MILK POWDER

1932	28,598	309,512
1936	23,122	239,405
Jan./June 1937	6,672	156,206

Recommendations

In view of the effort to increase production of these commodities in the United Kingdom, of the very active domestic market in Canada and of the relatively higher prices for cheese than for butter we have no recommendation to make.

Nevertheless the quality of these products is satisfactory and considerable quantities particularly of unsweetened condensed milk and milk powder are being exported. Exports of the former product will probably be considerably greater during 1937 than during 1936 or 1935, while exports of milk powder will probably be considerably less during 1937 than during 1936 or 1935. With a less active domestic demand and prices of butter more favourable with relation to prices of cheese, export of milk powder might assume considerably larger proportions.

CHAPTER VI

DRESSED POULTRY

Imports of dressed poultry into the United Kingdom increased annually between 1927 and 1931 from 505·7 thousand cwt. to 665·4 thousand cwt. Between 1931 and 1935 there were steady annual reductions, with the imports falling from 665·4 thousand cwt. to 422.5 thousand cwt. at which point (422·1) they remained for 1936. Actually, poultry imports were lower in 1936 than they had been since 1926.

Canada's share in these imports was 2·3 per cent in 1932; 2·1 per cent in 1933; 3·5 per cent in 1934; 5·1 per cent in 1935; and 5·1 per cent in 1936.

In 1933, for the first time, the imports of dressed poultry were split up into the major classes. Canada's share of the dressed turkey imports was 3·5 per cent in 1933; 2·6 per cent in 1934; 2·2 per cent in 1935; and 3·7 per cent in 1936. Canada's share of the dressed chicken imports (including fowl) was 0·5 per cent in 1933; 5·5 per cent in 1934; 9·2 per cent in 1935; and 7·0 per cent in 1936.

Home Production

Of the poultry consumed in the United Kingdom the greater part is home-produced and this proportion has increased during recent years at the expense of foreign shippers. One main reason given for the advance in home production of poultry is the increased breeding for egg production rather than the raising of poultry for food. Most of the increase has been in fowls and chickens.

Altogether the amount produced at home would appear to be about four-fifths of the total supplies consumed in the United Kingdom, but while home production accounts for the greater part of the chickens, ducks and geese, it comprises only about one-third of the turkeys.

Home-produced poultry in 1934 was estimated at 1,636,000 cwt., representing an increase of 65 per cent compared with ten years previously. Numbers of poultry recorded in June, 1935, and again in 1936 indicate that the output in 1936 was approximately 5 per cent below the 1934 level.

June, 1935, statistics on the number of poultry in Great Britain show 70,090,000, of which 65,910,000 were chickens, 2,738,500 were ducks, 670,200 were geese, and 772,000 were turkeys. The June, 1936, count shows a slightly smaller number at 69,566,000, of which 62,256,000 were chickens, 2,825,000 were ducks, 656,000 were geese and 829,000 were turkeys. In 1926 available statistics show a poultry population of 66,142,000, of which 61,583,000 were chickens and other fowl.

Since there is a definite inclination on the part of the British consumer to prefer home-produced poultry, and since the home-produced product occupies so large a place (four-fifths) in the poultry produced for consumption, it is suggested that the condition of the home producer and his product should be further considered.

Specialization and standardization in the production of poultry in the United Kingdom, though long followed in certain localities, is not generally practised. The "Surrey" fowl, produced mostly in Sussex, Kent and Surrey, is one specialized area product which goes mainly to London, while Northern Ireland practices have been largely on the American plan of fattening, killing, plucking and packing birds on a large scale, and facilities for cold storage are used.

Later years have seen much progress in the preparation of fowl for market, but the product is still unsatisfactory. In other parts of the United Kingdom, apart from the two mentioned, the great bulk of the poultry sent to market goes direct from the country farms. The birds thus lack type and uniformity and the supply is irregular. Actually, the great bulk of the table fowls reaching the market are the by-product of egg-production.

British National Mark Scheme

In an attempt to meet the needs of the market for poultry the National Mark scheme for poultry was instituted a few years ago. The development of it has been slow, and although the supplies handled by the National Mark packing stations have increased year by year, these still handle a very small proportion of the total poultry output. The grading question has given trouble through lack of capable graders, so that the full effect of standardization has not been gained. The lines followed are believed in some sections to be sound, however, and indicate the best method of supplying the standard product required.

Competing Countries

While but one-fifth of the total of dressed poultry supplies comes from outside the United Kingdom, it is perhaps well to see from what countries the imports come. Some twenty-six countries in all ship varying amounts to the United Kingdom market.

The Irish Free State has been a consistent shipper if a somewhat erratic one, reaching a low point of 102 thousand cwt. in 1933 and then increasing to 138·5 thousand cwt. in 1934, when she immediately dropped back to 105 thousand cwt. in 1935 and to 104 thousand cwt. in 1936.

Hungary has been a heavy shipper from 1931 onwards and holds first place over the Irish Free State as a source of supply at present, but only by a small margin. Her exports have been declining during the past few years from a high point of 171 thousand cwt. in 1933 to 105 thousand cwt. in 1936.

Yugoslavia holds third place in the United Kingdom market for dressed poultry supplies with 67 thousand cwt. exported in 1936, which was 5 thousand cwt. less than in 1935 but 11 thousand cwt. more than in 1934. Previous years' exports were much less, so that it may be taken that Yugoslavia has been increasing in importance as a source of supplies in recent years only.

Poland entered the list of dressed poultry suppliers in 1931 and has advanced from a minor position with 6·8 thousand cwt. to a much more important one with 30·8 thousand cwt. in 1936.

U.S.S.R. (Russia) has been failing rapidly as a source of dressed poultry. In 1931 she shipped 181·3 thousand cwt. to the United Kingdom, but exports declined to 116·5 thousand the next year and in 1936 they were only 17·5 thousand cwt. The Netherlands, too, has dropped from the 1931 position of 38·5 thousand cwt. to a 1936 position of 6·2 thousand cwt. Lithuania has shown signs of increasing her exports during the past three years, standing in 1936 at 10·2 thousand cwt. Argentina has been a fairly steady shipper with about 19 thousand cwt. average each year for the past four years.

Chickens

Analysis of the dressed chicken imports alone (figures available only since 1933) show the Irish Free State at the top with 48 and 52 thousand cwt. in 1935 and 1936, respectively, exported to the United Kingdom. Hungary was second with 46 and 43 thousand cwt., respectively, in 1935 and 1936. Poland stood third and Russia fourth.

Canada increased her exports of chicken from 1,000 cwt. in 1933 to 8,000 cwt. in 1934, to 14,000 in 1935, and shipped 12,000 cwt. in 1936.

Turkeys

The dressed turkey imports alone amount to about 22,000 cwt. a year. Canada had 8,000 cwt. of this in 1936, 5,000 cwt. in 1935, 7,000 cwt. in 1934, and 9,000 cwt. in 1933.

Yugoslavia stood first with 57,000 cwt. in 1936, Hungary second with 47,000 cwt., Irish Free State third with 45,000 cwt. Poland shipped 7,000 cwt., the largest amount she has shipped in recent years, while Argentina shipped 15,000 cwt. of turkeys in each of the last two years.

Other competitors ship comparatively small amounts. There are, however, some twenty countries in all supplying the British market with dressed turkeys, with none showing an inclination to expand their trade at the moment, unless it be Poland and Lithuania, now shippers on or about the same scale as Canada.

There is, undoubtedly, a definite place on the British market for Canadian dressed poultry. Certain criticism was encountered, but in the main the Canadian product was acceptable to the trade and is definitely in demand. Canada's best grades compare favourably with any others on the market and the business has tremendous possibilities provided we seriously undertake to correct certain practices now too common in the trade.

Recommendations

1. More careful and accurate grading is imperative. In fact, this is much more important than anything else and if well done will create a favourable reaction immediately.

2. Give careful consideration to the elimination of some of our grade names. There are definitely too many.

3. Give consideration to the adoption of an outstanding label or "National Mark" to be used only on produce which can qualify for the same.

4. Improve our containers. They must be uniform in both size and material. Holland and Hungary use a better grade of wood in their boxes which greatly enhances the appearance of their pack.

5. Enforce uniformity in stencilling both as to size of wording and where located on the box.

6. The lower grade (C) probably should not be exported, although this is a debatable point. At any rate if it is to be exported, very close supervision as to its quality must be given.

7. The trade generally recommends that all Canadian poultry intended for the British market should be frozen. The shipping of "chilled" poultry to this market is hazardous, and for the present or until some of the hazards are eliminated, the frozen pack is likely to be preferred.

8. The shaped squat pack is preferred on this market. At present many different kinds of pack are being used. More uniformity in this regard is needed.

9. The higher grades of Canadian chickens are undoubtedly equal or superior to any others to be found on Smithfield market with the possible exception of the best Surrey types. The same is true, even to a greater extent, of Canadian turkeys. These are generally acknowledged to be the best turkeys to be found on the London market. It appears that some directed effort to acquaint the consumer with these facts would be likely to result in higher values being obtained.

In view of these findings, and because of the importance to Canada of the export trade in poultry, we are convinced that greater efforts should be made toward this end in order that the possibilities in this business be properly developed.

CHAPTER VII

EGGS

Home production of eggs in the United Kingdom has just about doubled during the past ten years, and at the same time, the average yield per bird has been estimated to have increased from 100 to 120 eggs per annum between 1924 and 1930 and is still rising. The home produced supply for the United Kingdom was estimated at 2,597 million eggs in 1924, at 3,894 million in 1930 and at 4,729 million in 1933, an increase of 82 per cent over 1924. Further increase was recorded in 1934 when home supplies reached a peak of just under 4,800 million eggs. In 1935 the estimate was 4,620 million, and in 1936, 4,500 million eggs.

On this basis of production home supplies accounted for about three-fifths of the total consumption in 1936, or 38 eggs out of every 62 consumed.

As noted in the discussion on dressed poultry the expansion in poultry raising has been mainly for the production of eggs in the United Kingdom. Records show that the barnyard flocks and the casual methods of attending to them are much less common than they were ten years ago. In their place are larger and better managed flocks that often form separate departments of the farm. It is to be expected that for some years, however, it is from the general farmer that the bulk of the eggs will come.

Furthermore, the increase in the number of birds kept on farms in the United Kingdom up to 1935 at least, has been general all over the country, although there have been appreciable differences in the degree of expansion in individual sections or districts.

The primary reason for the increase, which may be permanent, was the monetary returns which were so satisfactory in the early years of the poultry boom. Further, the additional work and care necessary to tend the poultry was frequently supplied by the farmer's wife and family, with the result that labour costs did not always rise in proportion to the increase in the flock. While poultry keeping has not always been profitable since the post-war period, it has returned profits that have been regularly higher than those from other branches of agriculture. Egg production provided a regular cash income and the comparative ease with which it could be taken up with little capital attracted many farmers to poultry keeping.

Present Market Conditions

This brief description of the increase in home production and the hold poultry keeping has taken on the United Kingdom will explain in part the severe contraction which has taken place in recent years in international trade in eggs. Total exports from 31 countries fell by one-third between 1931 and 1935. There was a recovery in 1936 when the quantity exported, as revealed by preliminary figures, was 10 per cent greater than in 1935, but still 27 per cent below the 1931 figure.

Changes recorded in the movement of exports of eggs show that Denmark has displaced the Netherlands as the world's largest exporter. The recovery in 1936 was due primarily, it is stated, to a continued advance in Danish supplies, but also to a reversal of a downward trend in the case of some of the sources of supplies, particularly the Netherlands, Central Europe and China. Reference to the table of imports to the United Kingdom will show 1936 imports back to the 1931 level, or above it, from Denmark and the Netherlands, with China maintaining a fairly steady amount. Supplies imported in 1936 were 33 per cent greater in Great Britain than in 1935.

Egg prices in 1935 experienced a slight recovery from the previous decline and a further advance occurred in 1936. Also there is a pronounced seasonal variation in the price of eggs, as is to be expected with the fall months showing a decided rise, invariably, of as much as twelve to fifteen shillings per great hundred* for top grade Danish and English eggs. Bearing directly on the question too is the fact that consumption reached 159 eggs per head in 1936 compared with 150 in 1935 and 111 in 1924.

National Mark Eggs

The output of eggs under the National Mark of England and Wales (the largest producers by far), has increased steadily since the inception of the scheme but showed a decline during 1936, when it was estimated at 419 millions as compared with 457 millions in 1935.

Competition

Approximately two-fifths of the eggs consumed in the United Kingdom are supplied from outside the country. Total imports reached 24,653·2 thousand great hundreds in 1936, the largest they have been since 1931 but still considerably below that year's figure. Almost forty countries ship eggs to the United Kingdom market.

Denmark is by far the greatest source of egg imports, a position she has maintained steadily ever since the War. Her exports have averaged close to 6,500 thousand great hundreds since 1931 and over 5,500 thousand great hundreds in the four years preceding that period.

The Netherlands have risen rapidly in the last three years to occupy second place in quantity of eggs exported to the United Kingdom in 1936. She increased her shipments from 944 thousand great hundreds in 1934 to 2,678 in 1935 and to 3,800 thousand great hundreds in 1936. Hitherto the Irish Free State had been in second place with a very consistent record of shipments up to 1931. They dropped, however, from around 4,500 thousand great hundreds to 3,500 thousand great hundreds in 1933 and to 2,500 thousand great hundreds in 1936. On the other hand, Poland has been consistently increasing her shipments since 1933, to equal the Irish Free State in 1936. This return of Poland puts her back to about the position she occupied between 1927 and 1931.

Other countries which have made increased shipments in very recent years are Roumania, Belgium, Lithuania and Argentina.

Empire countries supplied 4,712 thousand great hundreds in 1936 out of the total imports of 24,653 thousand great hundreds. Canada's share in this was 103·3 thousand great hundreds; the Irish Free State, 2,563 thousand great hundreds; Australia's share, 1,635 thousand great hundreds; New Zealand's share 34 thousand great hundreds; South Africa's, 372 thousand great hundreds and other Empire countries, 5 thousand great hundreds.

Canadian eggs are ordinarily sold as "cold storage" and there is no doubt that much larger quantities can be sold in the United Kingdom market if they are available. As far as distance is concerned, Canada should be able to compete with South Africa in the shipment of fresh eggs, but the latter's peak production period is the opposite to the peak production period in Britain, whereas Canada's is the same. This is probably the main reason why Canada's surplus eggs are placed in storage for shipment at a later date and also why South Africa markets hers while fresh.

Recommendations

1. Canada's eggs at present are not only sold as a cold storage product, but because of our method of grading, are classified as "Grade B" Storage. This brands them, in the eyes of the trade, as a second grade product. In view of the

*A great hundred = 120 eggs.

fact that they are the only eggs being sent from Canada and are at the same time a high grade product (being equal to any, and superior to most storage eggs from other countries) careful consideration should be given to the establishment of an export grade indicating that they are first rather than second class.

2. It would appear that for a certain part of each year—at least 5 or 6 months—Canada could successfully ship fresh eggs to certain United Kingdom markets. This possibility should receive careful consideration.

3. The majority of Canadian eggs at present are shipped in crates bearing attractive labels such as "Canadian eggs" but each egg within the case bears the stamp "Empire." By this method of marking, Canadian eggs are automatically placed in the same category as eggs from all other parts of the Empire, such as Australia or New Zealand which may at times be inferior to the Canadian product. If there is any merit in placing a Canadian label on the crate or package (and we believe there is), it would appear that there is infinitely more reason for marking the egg with a Canadian, rather than an Empire label.

4. Only heavy export-type crates should be used in the export trade, even wiring of domestic crates is not satisfactory.

5. The "Mapes" type combined fillers should be used in order to eliminate breakages.

6. Further investigational work should be carried on (possibly by the National Research Council) in connection with temperature and humidity control during periods of storage and transportation of the product with a view to the elimination of losses due to moulds, spots, etc.

CHAPTER VIII

CANNED FRUIT AND VEGETABLES

Prejudice against canned goods in the United Kingdom has died hard. Even in recent years they have been looked upon with some suspicion, and there are still some people who will never use them. In the main, however, the prejudice has been overcome, and there is the tendency toward a more general use of canned goods as a staple article of diet, especially with the labouring and middle classes.

(A) FRUIT

The years before the War saw a gradual increase in imports of canned fruit. In 1900-1904 the average annual imports of canned fruit (i.e. preserved with added sugar) of all kinds were only 300,000 cwt.; in 1905-1909 this had risen to 417,000; and in 1910-1914 to 534,000 cwt. The War resulted in a large increase, so that the corresponding figure for 1920-1924 was 1,500,000 cwt. In 1935 the volume of imports was more than twice this quantity; 3,689,000 cwt. were imported, the most important being, in order: peaches, pineapples, pears, fruit salad and apricots. The development of the canning industry in the United Kingdom during the last few years has resulted in placing on the market considerable quantities of the domestic product.

(B) VEGETABLES

The same conditions applied also to canned vegetables. From 1909-1913 the average annual imports were only 427,500 cwt., though there was a steady rise from 376,000 cwt. in 1909 to 488,900 cwt. in 1913. Of the total imports two-thirds came from Italy.

The corresponding figure for the last five years is twice the 1909-1913 average. Between 1931 and 1934 the volume of imports ranged between 825,000 and 931,000 cwt. In 1935 as much as 1,057,000 cwt. was imported, but this was probably due to the fact that trouble in Abyssinia and Spain was expected. Imports in 1936 dropped to only 652,000 in consequence; i.e., in these two years the average annual imports were 880,000 cwt.—just slightly more than the two previous year's figures.

Pre-war statistics did not show the different varieties separately, but the recent figures indicate that canned tomatoes usually comprise at least 90 per cent of the total volume in a normal year. Canned peas, the only other variety shown separately, account for less than 2 per cent of the imports.

The origin of these imports is almost entirely in non-Empire countries. Before the War the most important countries (in order of their importance) were Italy, France, Belgium and the United States of America. This is still true to-day, though in recent years a very large volume of tomatoes has been purchased from Spain. Belgium is still the largest supplier of vegetables other than tomatoes.

Canada's increasing share of the tomato business is shown in the chart and in the table in the Appendix. Her exports of tomatoes increased appreciably in 1935 and 1936. It is sometimes said that she failed to take advantage of the difficulty of importing Italian and Spanish tomatoes in these years, but when it is realized (as explained above) that British importers anticipated the difficulty by bringing in unusually large quantities in 1935, the charge is not so serious.

Market Conditions

Prospects for the sale of canned fruit and vegetables on the United Kingdom market are encouraging. There is an increasing demand in all districts for choice quality canned fruit and vegetables. In regard to canned fruits, with the exception of plums, strawberries, raspberries, gooseberries, red and black currants, and to a lesser extent cherries and loganberries, this demand must be supplied, in the main, by importation. Canada is in the position to supply only a comparatively small range of canned fruits in such quantity and on a basis of price which will be competitive on the United Kingdom markets. She is, however, in a favourable position to supply canned apples, and to a smaller extent, pears, peaches, loganberries and blueberries, and possibly raspberries and strawberries.

There is quite evidently an increasing demand for canned vegetables on the part of the United Kingdom consumers. The Canadian packers have an opportunity to share in the supplying of this demand, particularly in regard to tomatoes. During 1936, 556,000 cwt. (112 pound) of canned tomatoes were imported, of which Canada supplied 134,307 cwt.

There is also a very attractive market for tomato catsup, tomato juice, paste and puree. There are definite prospects for increased sales of canned asparagus, possibly also green and wax beans, beets, carrots, corn, and diced vegetables.

Competition

The American canners, realizing that Great Britain offered not only the greatest potential export market in the world for canned fruits and vegetables, but that she was also one of the most discriminating, proceeded to go after this business on the basis of quality, proper grading, and uniformity of fill. By uniformity of fill is meant a standardization, as nearly as possible, of the number of pieces in a given size can, say, of peaches, so that the buyer knows approximately the number of servings to be expected. Attention was given to the proper packaging of their products for export and to attractive labelling. The success of this policy is only too evident, for American canned goods hold first position in this market.

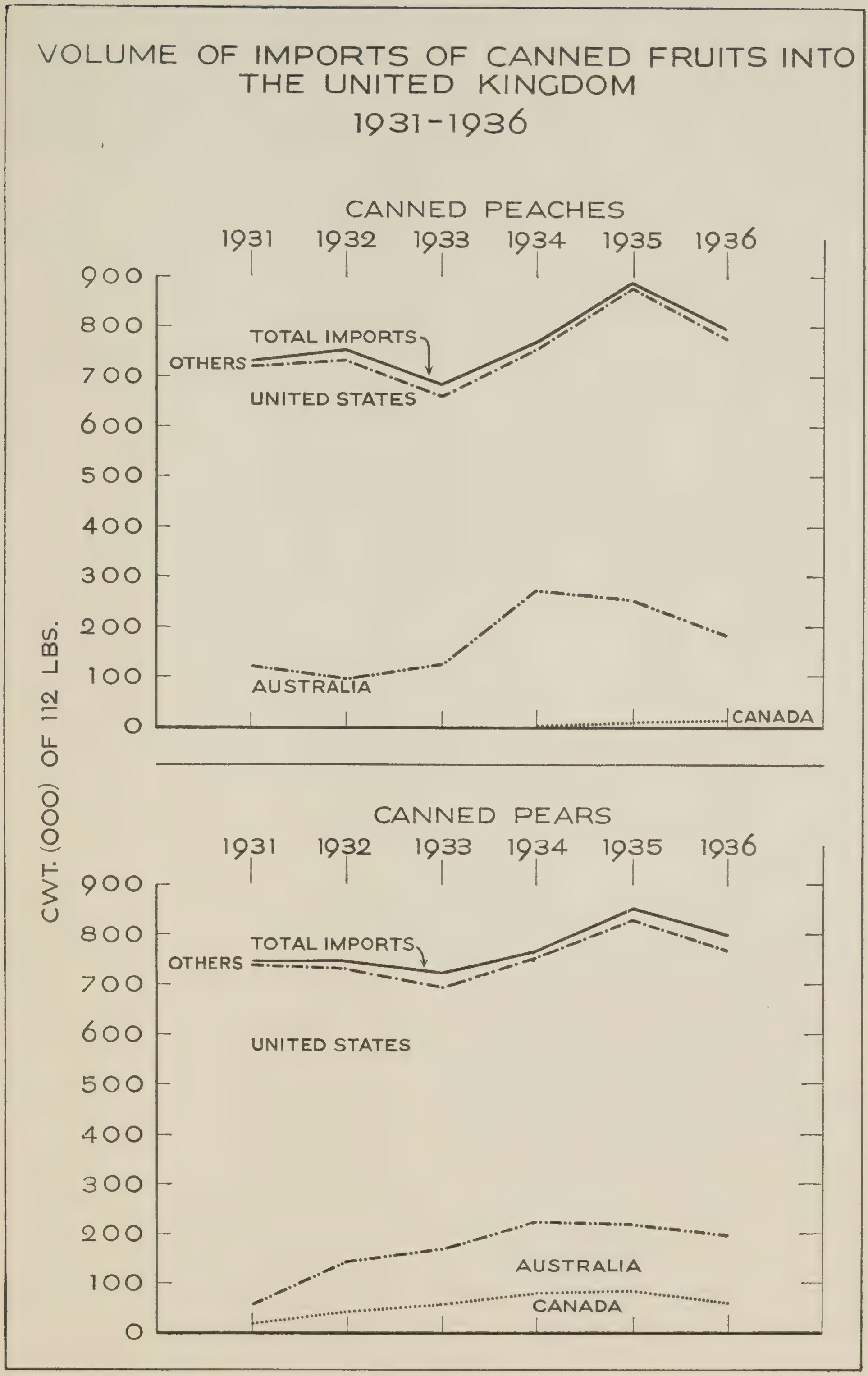
The Australian canners were late in realizing the necessity of proper grading and quality standards. They have, however, corrected this to a large extent during recent years, with the result that they are making steady progress in this market.

An important fruit and vegetable canning industry has developed in England. At the present time there are some eighty English canneries in operation, mostly fairly well equipped. Their combined output, particularly of canned vegetables, is large. In this connection it has not been possible to get exact data. The manager of one cannery visited estimated that they would pack 150,000 cases of peas. This company has another plant which will pack about 175,000 cases. The production of other canned vegetables, while on a fairly large scale, will not approximate that of peas. From the above it will be seen that the English canners are becoming an important factor on this market.

Italy and Spain have practically controlled the canned tomato market of Great Britain but their exports were reduced by about one-half in 1936.

CANNED PEARS

The United Kingdom markets absorb a very large quantity of imported canned pears, as will be seen from the appended chart. For instance, during 1936 the total imports of canned pears amounted to 797,000 cwt.; of this quantity only 56,676 cwt. originated in Canada. It is rather discouraging that the United Kingdom importers regard Canadian canned pears as a definitely inferior pack, and state that they are purchased on a price basis to meet the demand of a certain class of trade where price rather than quality is the essential.


VOLUME OF IMPORTS OF CANNED FRUITS INTO THE UNITED KINGDOM
1931-1936
CANNED PEACHES
1931
1932
1933
1934
1935
1936
900
800
700
600
500
400
300
200
100
0
TOTAL IMPORTS
OTHERS
UNITED STATES
AUSTRALIA
CANADA
CWT. (000) OF 112 LBS.
CANNED PEARS
1931
1932
1933
1934
1935
1936
900
800
700
600
500
400
300
200
100
0
TOTAL IMPORTS
OTHERS
UNITED STATES
AUSTRALIA
CANADA

It appears that the lack of uniformity in the grading of the Canadian pack is to a large extent responsible for this attitude. Tins of Canadian pears were cut and examined in several of the larger centres. Less than fifty per cent of the cans examined that were marked "Choice Quality" were graded "choice." Certain tins of Bartlett pears packed in Ontario and marked "Choice" were indifferently trimmed, not properly cored, and showed great variation in the number of halves per tin. This pack was decidedly *not* "choice." It is this disregard of proper grading and filling which destroyed the confidence of the United Kingdom buyers.

It is only fair to mention that certain tins of Bartlett pears packed in British Columbia and labelled "Choice Quality" were, in every respect, all that the words imply; the fruit was choice, trimming well done, and the coring left nothing to be desired. These British Columbia packed Bartletts were equal to or better than their Californian or Australian competitors.

Canadian-packed Kieffer pears, while sold in fair quantities in certain districts, are not highly regarded from a quality standpoint. However, they do meet the demand in districts where price is the main consideration.

CANNED APPLES

Solid pack apples in gallon cans are in good demand in the United Kingdom, by far the greatest quantity being imported from the United States. The Oregon pack enjoys the best reputation. This has been gained through appreciation on the part of the Oregon canners of the necessity for supplying a properly graded pack. Unfortunately, Canadian canners have so far failed to appreciate the necessity for proper maintenance of quality standards. In cutting and examining a considerable number of cans of Canadian solid pack apples labelled "Choice Quality," there was found to be a surprising variation in quality. Not over fifty per cent of the cans cut would grade "Choice." The fact that those cans which did grade choice compared favourably with the American pack was proof that Canadian solid pack canned apples can compete on the basis of quality. Unfortunately, the designation "Choice" on many cans has no significance, in some instances these cans containing three varieties of apple. In others the trimming was poorly done and the fruit decidedly not above standard quality. Again, varieties such as "Stark," which were lacking in flavour and poor in colour, were marked "Choice." There is no reason why a much greater proportion of the total importation of canned apples into the United Kingdom should not originate in Canada, provided the Canadian product is properly graded as to standards of quality.

CANNED PEACHES

The United Kingdom imports annually approximately 800,000 cwt. of this commodity. The quantity imported from Canada was only about 1½ per cent of this total in 1936. The great bulk of these imported peaches come from California, Australia and South Africa. In the main, the pack from the above-mentioned countries is of "Choice Quality." The fruit is firm, of good appearance, but lacking in flavour. On the other hand, the Canadian canned peach is of particularly good flavour but not as firm or clean-cut in appearance, this being due to the nature of the fruit. In most instances the cans of Canadian peaches cut and examined were well graded. The superior flavour of the Canadian pack will, undoubtedly, gain for them increased popularity. As the United Kingdom's consuming public becomes better acquainted with the superior flavour of the Canadian peach, sales of this commodity should increase.

CANNED CHERRIES, LOGANBERRIES AND BLUEBERRIES

Cherries are produced to a considerable extent in England; the greater proportion of the crop is used for canning and in the manufacture of jam. There is, however, a considerable quantity of Italian processed cherries imported. The Italian cherry is artificially coloured and is used to a large extent in fruit salads, etc. The importation into the United Kingdom of Canadian canned cherries has been comparatively small. There is, however, a growing appreciation of the quality and flavour of solid pack Canadian Montmorency cherries. As the preference in the United Kingdom is for a highly coloured fruit, it is well to bear in mind that the packer should artificially colour his pack.

Loganberries are produced in England in fairly large quantities, and a high percentage of these are packed by the United Kingdom canners. At the same time, there is a fairly large importation of canned loganberries from the Western United States and also from British Columbia. It is gratifying that the grading and packing of British Columbia loganberries has given thorough satisfaction to the importer. The British Columbia product is considered the finest of its kind and the demand is steadily increasing.

There is a good demand for bilberries (blueberries) in the Lancashire area, and last year about 450,000 pounds of this fruit was imported from Northern Europe. The Canadian bilberry (blueberry) is really a much superior fruit, and while the import into the United Kingdom of Canadian canned blueberries has been comparatively small, the possibilities for increased sales of canned blueberries on this market are attractive.

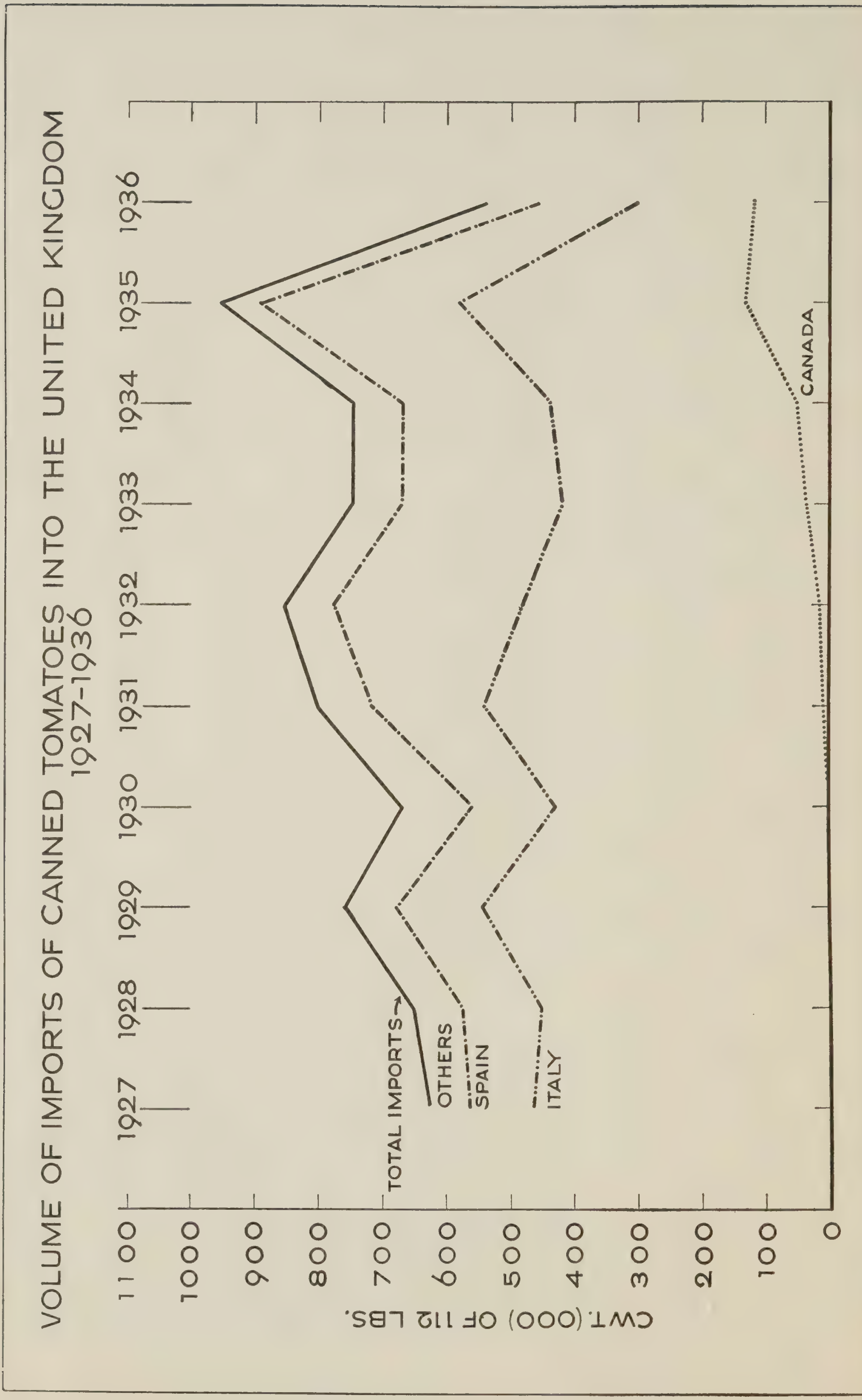
RASPBERRIES, STRAWBERRIES, RED AND BLACK CURRANTS AND PLUMS

These fruits are produced in considerable quantities in both England and Scotland and are used extensively in the manufacture of jams and for canning purposes. The prospect for the development of a large sale of these fruits by Canadian packers is not very bright. However, it should be always possible to place a fair quantity in the United Kingdom market provided the pack is choice and attractively labelled.

CANNED TOMATOES

The consumption of canned vegetables in the United Kingdom is increasing. The development of the vegetable canning industry in England has fairly well kept pace with this demand. This has not been so in the case of canned tomatoes, as climatic conditions in the United Kingdom make it impossible to produce tomatoes on a large commercial scale. The consumption of canned tomatoes has risen rapidly since 1918, and during the last five years has reached a volume which is double that from 1909 to 1914. This demand must be met by importation. Italy, Spain, and to a lesser extent France, Hungary, Russia, and the United States and Canada have been the countries of origin of practically all the canned tomatoes sold in the United Kingdom. The bulk of this business has always gone to Italy, with Spain gradually strengthening her position in this market.

Owing to a combination of circumstances, the Canadian packers of canned tomatoes have had an opportunity to establish their product in this market: first, through the imposition of a duty on canned vegetables of foreign origin; secondly, through the enforcement of League sanctions against Italy, and, since the discontinuance of these sanctions, the difficulties the Italian canners have experienced in obtaining tinplate; thirdly, the stoppage of all Spanish exports


VOLUME OF IMPORTS OF CANNED TOMATOES INTO THE UNITED KINGDOM
1927-1936
CWT. (000) OF 112 LBS.
1100
1000
900
800
700
600
500
400
300
200
100
0
1927
1928
1929
1930
1931
1932
1933
1934
1935
1936
TOTAL IMPORTS
OTHERS
SPAIN
ITALY
CANADA

of canned tomatoes owing to the civil war in that country. These conditions have been reflected in a large increase in the importation of Canadian canned tomatoes.

As both Italy and Spain are canning the plum-type tomatoes, the United Kingdom consumer has become accustomed to this type. It must be admitted that the plum-type lends itself to the production of a more solid pack as the fruit has not the same tendency to break down in processing, as is the case with the type of tomato grown in Canada. The most popular time and method of serving canned tomatoes in the English home is for breakfast, fried with bacon. The fact that the plum-type has the tendency to remain whole and comparatively firm makes it lend itself well to this purpose. There is, however, a very general admission on the part of both the United Kingdom distributor and consumer that the flavour of the usual Canadian-type canned tomato is superior to that of the Italian or Spanish. But there is a general complaint that the Canadian pack contains too little solids and, in most instances, practically no whole fruit. The lack of uniformity in quality of Canadian tomatoes labelled "Choice" is also criticized. It was claimed by some importers that the grade markings on Canadian canned tomatoes meant practically nothing. This complaint seems to have some justification judging by some sixty cans of Canadian tomatoes (size $2\frac{1}{2}$ tins) that were cut and examined. Of these sixty cans, only a little over one-third graded "Choice Quality." Ten of these cans were a grade of very poor standard and the balance would grade good standard. These sixty cans consisted of a number of different brands, all labelled "Choice."

It was generally admitted that, while "Choice" quality Canadian tomatoes are not actually as solid a pack as the Italian or Spanish plum-type, yet their superior flavour and the proportion of whole fruit (if they really are "Choice") cause them to be well received by the United Kingdom consumer. There is no hope of gaining the support and confidence of the United Kingdom importer and consumer so long as the Canadian packer continues to label standard quality as "Choice."

It should be mentioned that samples of Canadian-packed plum-type tomatoes were examined. The cans were marked "Choice" and the quality was found to be "Choice," and equal to if not better than those of Italian or Spanish pack.

TOMATO CATSUP, TOMATO JUICE AND PUREE

The consumption of tomato catsup, puree and tomato juice in the United Kingdom is increasing steadily. The market for these products is becoming increasingly important to the Canadian packer.

CANNED VEGETABLES

Canadian canned asparagus (unbleached) is being well received in this market. Its distinctive flavour appeals to the United Kingdom consumer, and there is every prospect of an increasing demand for it.

CANNED PEAS, BEETS, CARROTS AND SPINACH

While there is a distinct possibility of increasing sales of choice quality Canadian-pack peas, beets, beans, carrots and spinach, it must be borne in mind that the English canners are packing a very good quality pack of these vegetables. Naturally, their competition in this market is an important feature.

CANNED CORN

The English consumer is, in the main, unacquainted with this product. There is, however, a gradually expanding demand, and as canned corn becomes better known to the English consumer undoubtedly the importation of this product will greatly increase.

Recommendations

1. That grading standards as to quality of contents be rigidly enforced. This is of utmost importance, and, if well done, would, more than any other one thing immediately create a favourable impression on this market.

2. That more careful attention be given to the casing of canned goods. Several complaints were received that shipments have gone forward packed in light domestic cartons, instead of in proper export cartons or cases, and have arrived in bad condition.

3. That the Canadian packers of canned fruits and vegetables should give careful consideration to the use of more attractive labels.

4. That investigations now in progress in connection with improved varieties of tomatoes should be continued. The plum types as well as the common varieties should be included in this investigation.

5. More careful grading of the tomatoes should be practised in order to ensure a more uniform and consequently more attractive pack.

6. There is some evidence which would seem to indicate that dehydrated fruit and vegetable products may be expected to become increasingly important in the United Kingdom. If this materializes Canada should be able to compete successfully, particularly in vegetable products.

7. It was brought to our attention by importers that packs of canned apples contained several varieties in the same can. This is definitely bad practice and should be corrected.

8. It would appear that careful consideration should be given to the development of some distinctive mark, in order to identify Canadian canned products. This brand, or mark, would necessarily have to be very carefully guarded. For instance, it might be wise to limit, definitely, its use to certain standards or grades. We feel, however, that the proper identification of our goods is of the utmost importance.

CHAPTER IX

FRESH FRUIT

HISTORICAL OUTLINE

During the year 1936 the United Kingdom spent £24,642,000 (or about one hundred and twenty-five million dollars) on imported fruit. The most important item was oranges (£7,321,000) and apples came second (£5,644,000). As Canada is little concerned with any fresh fruit other than apples, this section is concerned with these.

The apple crop in any country is notoriously variable; it is therefore difficult to say what proportion of the amount consumed is supplied by the home producer. The domestic crop in the United Kingdom, however, is about twice what it was before the Great War, and is still growing. On the other hand, imports have increased equally as fast. In other words, the United Kingdom consumes about twice as many apples as before the Great War, and this is true of fruit generally.

It seems fairly safe to say that approximately 40 per cent of the apples used in an average year are home-grown. This would mean a production figure of about 5,000,000 cwt., while imports for the last ten years have averaged 6,600,000 cwt. annually. Except in 1931 and 1932 (when there were heavy shipments from France) more than 90 per cent of the imports were from three countries—Canada, Australia and the United States of America. In 1933-1935 the average was 2,700,000 cwt., but in 1936 the unusually large domestic crop resulted in a reduction to 1,960,000 cwt. compared with a figure from the United States of America of 1,564,000 cwt.

Market Conditions

Unfortunately this survey was made at a time of the year when no Canadian apples were being marketed in the United Kingdom. It is almost impossible to forecast with any degree of accuracy the probable trend of marketing conditions during the coming marketing season. The factors entering into and affecting the marketing of Canadian apples in the United Kingdom are varied.

As the Canadian crop comes on the market at practically the same season as those of the United Kingdom and of the United States, the volume of these crops has a very definite bearing on the market conditions which the Canadian producer has to face. Broadly, the marketing of Canadian apples involves three distinct marketing problems. The Nova Scotia crop, owing to its comparative similarity in type to that of the United Kingdom, comes into keener competition with the English product than the products of either Ontario or British Columbia. Similarly the Ontario crop meets its keenest competition from the crops of Virginia and New York states, and the " box " apples of British Columbia from those of Washington and Oregon.

With regard to packaging, it is recommended that the use of the export hamper package for certain dessert varieties be thoroughly investigated as it appears that this type of package has possibilities. This recommendation is made to the shippers from the barrel provinces. The importance of the matter of standards of quality cannot be overstressed. If the Canadian apple producer is to retain the confidence of the United Kingdom importers, these standards must be rigidly observed. Complaints regarding the variation in the

grading of Canadian apples were without doubt in many cases well-founded. Unfortunately, one packer's No. 1 grade may be only on a par with another packer's Domestic grade. In other words, one packer takes no pride in his pack and endeavours to get by with the minimum required under the grade standards, whereas other packers try to deliver No. 1 grade fruit according to the spirit and intention of the grading regulations.

Greater care should be taken to assure that the top layer of apples in a barrel is a fair sample of the whole contents. The Canadian exporters should bear in mind that the United Kingdom market is highly competitive, and if they are to retain their standing with the importers and consumers, they must maintain a high standard of dependability in regard to grade standards.

It is well, also, to bear in mind the situation in regard to the production of apples in the United Kingdom. The planting of new acreage and also the scientific research being carried on at Long Ashton and East Malling are evidences of the increased interest in the United Kingdom in apple growing. The fact that the production of apples in the United Kingdom equals the total Canadian production and that every indication points to a greater volume of production in the future, only emphasizes the necessity for building up and maintaining a reputation for a high standard of grading in Canada.

From observations made during this survey, it would appear that the marketing of Canadian apples in the United Kingdom is proceeding on fairly sound lines through the established channels of trade.

Recommendations

1. From discussions with the trade in regard to barrel packs of Canadian apples, it would appear that shippers should give this question more careful consideration. More rigid enforcement of the grading regulations would undoubtedly tend to remove these complaints.

2. There appears to be a growing demand on the British market for apples packed in hampers. The use of these, or cartons, is worthy of careful investigation by exporters.

3. As it is evident that certain varieties of Canadian apples are of much greater value for export purposes than others, care should be taken that new plantings include only the best kinds. Generally speaking a more limited number of varieties would improve our position.

4. At present in the United Kingdom apple trade it is difficult to successfully market the large sizes. These large sizes are found mainly in our dessert varieties and often constitute a considerable percentage of the crop. An effort should be made to popularize these large sizes as they are really the best quality we have to offer.

5. Because of the fact that Canadian and United States apples are harvested and arrive on the British markets at approximately the same time, the Canadian apples are frequently looked upon by the trade as American and are sometimes sold as such. As it is a generally accepted fact that a fruit produced in the more northerly sections of its habitat is superior to the same varieties grown farther south, it would appear that a case can be made for pushing the sale of Canadian apples on this basis. A determined effort should be made to acquaint the British consumer with the outstanding qualities of Canadian apples. We are of the opinion that such an effort would bring results similar to those experienced by New Zealand and South Africa in marketing their fruit.

CHAPTER X

HONEY

HISTORICAL OUTLINE

Honey is the oldest sweetening agent known, and before the discovery of sugar it was always used for that purpose. In Great Britain, however, it has never been used as generally as on the Continent of Europe or in newer countries.

The explanation probably lies in the vagaries of the English climate. The sunshine in England is not consistent enough to produce a good honey crop, and its intensity varies enormously from year to year. Bee disease, moreover, has been very prevalent in the past; twenty-five years ago it was so intense that the bees were nearly exterminated.

In recent years, however, the consumption of honey has steadily increased, and this trend is still in evidence. During 1901-04, 16,200 cwt. of imported honey was consumed on an average each year; and in 1909-13 the figure rose to 25,700 cwt. There was a marked increase after the War; since 1923 the volume of imports retained for home consumption has been not less than 60,000 cwt., and in 1929 the figure was more than 90,000 cwt.

In 1901-04 about 60 per cent of the imports of honey came from countries outside the Empire; from 1928 to 1930 Empire countries shipped almost as much as foreign countries; and since 1930 the Empire has been the predominant source of supply.

Before the War, the British West Indies, the United States and Chile were the chief exporters (in order of their importance). By 1923 New Zealand had taken third place, and has maintained an important position ever since. The volume of imports of New Zealand honey has, however, been very variable; in 1923 and 1929 more than 20,000 cwt. were imported, but in 1930 the figure dropped to only 1,170 cwt. Since that year the volume has ranged between 1,845 cwt. (1932) and 9,957 cwt. (1935).

Canada has built up her exports of honey to this market from 100 cwt. in 1923 until they reached the 10,000 cwt. mark in 1930. Since 1930 more honey has been imported from Canada than from any other country in every year except 1935 (when the volume from the British West Indies was slightly larger), the average annual imports during these last six years having been 17,000 cwt.

Present Market Conditions

At the present time it is believed that domestic production supplies only about one-third (25,000 cwt.) of the volume of honey consumed. If the retained imports are included, the per capita consumption is still only about one-quarter of a pound a year. Changes in consumption, however, show that honey is regarded as something of a luxury; the volume varies directly with purchasing power. The peak year was 1929, after which it declined, but since 1933 consumption has been increasing again.

There are two main outlets—manufacturing trades and the domestic consumer. It is impossible to discover how much honey goes through each of these channels, but we believe that the household market is by far the larger. The former, in any event, is of little interest; as the manufacturer uses honey as a basis for cough syrup, for baking, etc., he does not need to buy an expensive product, and it is probably the cheaper Jamaica honey that is principally used.

The bulk of Canadian honey goes to the domestic consumer, but from the information we have obtained, we believe that at least 50 per cent of it is blended with other Empire honeys and is sold not as "Canadian honey" but as "Empire honey." The housewife generally buys her honey on the reputation of the packer's (or blender's) name, not by its country of origin. The result is that the packer uses the best Canadian honey to blend with a darker or inferior Jamaica honey to produce a grade that will sell at a definite price. The definite price is, to a large extent, necessary as honey is in competition with jam, which often sells for half the price of honey.

Thus the identity of Canadian honey is often lost to the disadvantage of Canada, but the packer gains by a profit made on a judicious mixture of Empire honeys. As the price of the bulk of Jamaica honey is from 20/- to 30/-,* the price of Canadian about 40/-, and the price of New Zealand about 60/-, it is evident that a shrewd blender can make a good profit on a blend of Canadian and Jamaica honey that will sell for slightly less than New Zealand honey without being noticeably inferior in taste or appearance. It is also evident that with some blenders at least, if they are to put up a blend to retail, say, for 1/3 per pound, the higher the price of Canadian honey, the less they will use of it. Only a small quantity of Canadian honey is sold under Canadian brand names.

The actual price structure of the various honeys is hard to determine, owing to the multiplicity of grades, blends, sizes of container and channels of distribution. English and Scotch honey often sell on a basis of 80/-; the premium is due to the fact that it is domestic product, though its quality is often such that the actual value in comparison with imported honey is very much lower. One large and typical store, for instance, was advertising No. 1 glass at the following prices: Scotch, 2/-; English, 1/9; Ontario, 1/6. It was advertising a 60-pound tin of Canadian at the rate of 1/2 per pound, a "Colonial" 60-pound tin at the rate of 10d. per pound; and a 7-pound tin of New Zealand honey at a rate of just under 1/1 per pound (7/6 for the tin).

Practically all sales are made in the 1 pound or smaller special sizes, often in a fancy container. Efforts to sell 2 pound, 4 pound or 5 pound tins have not met with any success. The 60-pound bulk tin for shipment from Canada is generally approved for trade purposes.

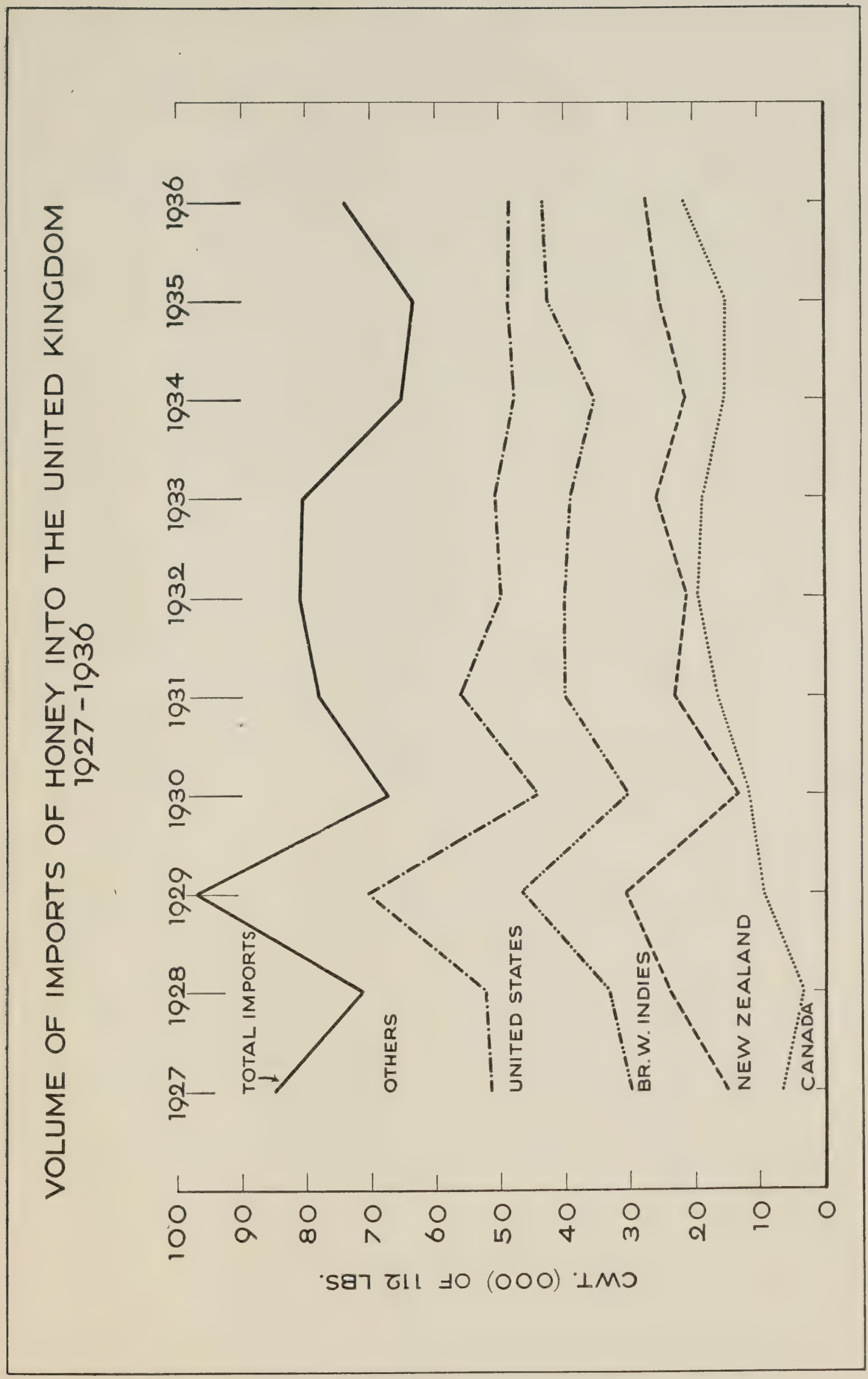
The two largest packers covering the southern part of England contract for, or buy, their requirements at a firm price, but it is usual, as the season progresses, for them to receive offers from brokers and dealers several shillings lower than the original figure. Furthermore, certain producers who sell direct to retail stores are an unsettling factor.

At the present time at least one forward offer has been made for best quality new season honey at 39/- c.i.f., when the goods are obviously not yet in the broker's hands. Such offers may easily lead to trouble, since the seller may not be able to deliver, or may be compelled to include inferior grades in order to complete the contract. Further, this quotation may set the price for the new season when the complete absence of any carryover of Canadian honey, together with a short crop in New Zealand, may justify a higher level.

Sales of honey are still being considerably affected by the volume of prepared honey being sold. This preparation consists of invert sugar, etc., with only perhaps 10 per cent of honey to give it flavour. Yet the ordinary housewife regards it as honey, and it sells for less than half the price of the genuine article. All the large packers are urging the Government to make a more exact description compulsory on the label, but the Government have pleaded the pressure of other business. Could this legislation be passed, the sale of genuine honey should benefit.

---

*Per cwt. of 112 lbs.


VOLUME OF IMPORTS OF HONEY INTO THE UNITED KINGDOM
1927-1936
CWT. (000) OF 112 LBS.
100
90
80
70
60
50
40
30
20
10
0
1927
1928
1929
1930
1931
1932
1933
1934
1935
1936
TOTAL IMPORTS
OTHERS
UNITED STATES
BR. W. INDIES
NEW ZEALAND
CANADA

Competition

Our principal competitors at the present time are the British West Indies, New Zealand, Australia, the United States and Cuba. The New Zealand methods of marketing are so distinct that we thought it advisable to include a description of them.

New Zealand honey is the best known imported honey on the British market and commands a substantial premium over Canadian honey. This is largely because advertising over a period of years has built up a special demand; though its grade and flavour are consistently good, yet the premium is hardly justified by quality alone.

The apiarists are organized in the New Zealand Honey Producers Association, and under an Act passed in 1924 a Honey Control Board was set up, consisting of one person appointed by the Government and two by the producers. This Board has the sole right to export honey, and it appointed a sole agent in London and another in Germany. It embarked on an advertising program immediately, stressing the advantages of honey for the table in general, and of New Zealand honey in particular. There is no doubt that this advertising met with considerable success. At the present time the London agent is allowed one penny per pound for advertising on all the honey he sells—i.e. he keeps this amount instead of returning it to the producers.

The Board directs the blending, grading, packing and storage of honey, and determines the quantities and terms of shipment. It is blended and bottled in London, so that all "Imperial Bee" honey is of the same colour and consistency.

"Imperial Bee" honey has a good distribution. It is used frequently in window displays, and it is found in very small containers on the tables of restaurant cars. Very little publicity, however, is being undertaken at the present time.

The distributors are convinced that the sole agency is the only satisfactory way to handle the honey. It is only a minor product, and in this way, they believe, they get the most satisfactory price. Yet the trade strongly dislikes this method of operation, and it is stated that the cost of distribution is so high that very little is left for the producer, who at present is showing signs of considerable dissatisfaction.

Recommendations

We do not feel that permanent advantages would accrue to Canadian honey producers by adopting the more closely controlled distribution methods of our principal competitor, especially in view of the quantity we now have to sell.

We do believe, however, that active promotion of the sale of Canadian honey will result in a larger volume of exports. The most important point is the greater sale of all-Canadian honey instead of its use for blending with other Empire honeys. The proposals we have outlined in the General Recommendations, if carried out, will have the effect of inducing the various blenders and bottlers of honey to give greater emphasis to an all-Canadian honey, to the benefit of our producers.

Canadian honey is in itself a very high-class product and sufficient steps have not been taken to establish it on the United Kingdom market as a distinctive product.

CHAPTER XI

MAPLE PRODUCTS

Maple products are virtually unknown on the British market, and there are no statistics to show the quantities imported. Canadian statistics, however, show that 2,114 and 3,082 gallons of maple syrup, and 30,179 and 28,028 pounds of maple sugar were exported to the United Kingdom during the fiscal years 1935-36 and 1936-37 respectively. We are informed that about one-third of the imports are used for industrial purposes, though this proportion is nothing more than an estimate.

In our opinion the price at which maple products are selling in the United Kingdom is definitely hampering their sale. Current c.i.f. quotations are $2.83 per gallon—approximately 40 per cent higher than current Montreal wholesale prices. The addition of duties and landing charges makes the United Kingdom wholesale price still further out of line. By the time that wholesalers and retailers add their necessary profits, the British consumer is asked to pay about twice the price charged in stores in the province of Quebec. While limited quantities can be sold at their present retail price, no large volume can be attained as long as the present wide spread in price exists between maple syrup and competitive syrups.

There is an increasing use of maple flavours. Manufacturers of candy, cakes and ice-cream are permitted, to describe their products as maple products regardless of the fact that in many instances their products contain only a small proportion of maple sugar and in many instances derive their maple flavour from the use of flavouring extracts which actually contain no maple sugar or syrup whatever. There are proper grading and marking regulations to safeguard our interests, but they need to be enforced. We suggest that this be investigated, and if thought advisable the British Ministry of Health (which administers the Sale of Foods Act), be consulted.

An attempt was made some time ago to ship maple syrup in bulk to London and bottle it there. It was unsuccessful. We are told that a green scum developed shortly after bottling. This is difficult to explain, as bottling from cans is a common household practice in Canada. If any aggressive sales promotion work is undertaken, bottling in England is vital. Maple syrup must be sold in bottles in the United Kingdom and the price must be kept to a minimum.

In our opinion a strong intelligent effort should be made to promote maple syrup sales. The effort should be a part of any publicity campaign undertaken, and it might also be a part of any test campaign recommended for special areas. Canada can produce large quantities of high quality maple syrup, and as it is from the producers' viewpoint a most timely crop, it is worth considerable effort. Great care must be used, however, to ensure quality control.

CHAPTER XII

TOBACCO

HISTORICAL OUTLINE

Tobacco has been used in England ever since the days of Queen Elizabeth. Though the per capita consumption in the United Kingdom is not as high as in some continental countries, yet it is relatively heavy. Moreover, the production of domestic tobacco is negligible.

During the last ten years more than 200,000,000 pounds of unmanufactured tobacco have been imported on an average each year. Of this only a very small proportion has come from Canada; the most important source of supply has been, and still is, the United States.

The following table shows the total imports of unmanufactured tobacco and the imports from Canada:—

IMPORTS OF UNMANUFACTURED TOBACCO INTO THE UNITED KINGDOM

(in thousands of lb.)

Year	Total imports	Imports from Canada	Year	Total imports	Imports from Canada
1926	197,204	4,914	1931	194,046	6,273
1927	222,265	5,813	1932	174,912	10,672
1928	217,785	6,029	1933	211,108	13,961
1929	240,026	5,025	1934	238,875	8,055
1930	237,028	4,041	1935	251,620	7,076

The noticeable increase in imports of Canadian tobacco in 1932 and 1933 was due very largely to the effect of the severe competition among the various manufacturers brought on by the several premium offers then running; these compelled a reduction in manufacturing costs, which was effected by using more Empire tobaccos which came in duty free.

In 1934 and 1935 a change in the compilation of the official import statistics showed that nearly 90 per cent of the tobacco imported was light-coloured.

Present Market Conditions

Empire (and Canadian) tobaccos are not, in the main, of the bright flue-cured type desired for cigarette making. These tobaccos are, however, admirable for pipe tobacco, and they have been increasingly so used. At the present time it is believed that about 80 per cent of the pipe tobacco sold in the United Kingdom is of Empire origin (i.e. in the aggregate, not applying to particular blends). Unfortunately, however, the consumption of pipe tobaccos is tending to decline slightly, while that of cigarettes is increasing. English cigarettes are made of very bright tobacco, and no dark tobacco is used in them. The quality of Canadian flue-cured has improved tremendously in the last few years, and it is now used extensively in almost all brands except the three best known and most heavily advertised. With these three, we are informed, there is too much risk involved (because of the heavy advertising behind them) to justify the use of even the smallest proportion of Canadian tobacco, for fear that even a slight change in flavour may affect the sales.

It is freely admitted that if the Canadian crop comes up to the standard that it did in 1935, there will be no difficulty in disposing of it all, but in view of what has been said above (unless the makers of the three large brands could be persuaded to add a small proportion of Canadian leaf simultaneously), the best hope for Canadian tobacco is that sales of minor brands will, in time, increase. This is not a very cheerful prospect, as the costs of building up large sales for any new brand are enormous; a great deal of money was lost a short time ago in trying to build up the " Canadian Club " cigarette, which was made entirely of Canadian tobacco.

Smaller makers are also handicapped by the methods of purchase. If the crop is good, all the best is bought up in Canada by the large purchasers, leaving only the inferior or sub-standard crops to come on the open market. If the crop is small, there may be no surplus at all. Thus the smaller manufacturer may be unable to buy any Canadian tobacco.

In 1930 there was formed the Tobacco Federation of the British Empire. The prime movers in this were, and still are, Nyasaland and Southern Rhodesia, both of whom have considerable marketing problems. Canada has none at the present time, and does not contribute financially to the Federation, though the Trade Commissioner for London acts as the Canadian representative at the meetings. The body is purely consultative and advisory.

Competition

The most extensively used tobacco, as has been already pointed out, comes from the United States, and the reasons for its use have been given above.

CHAPTER XIII

HAY, ALFALFA MEAL, GRASS AND CLOVER SEEDS

Hay from Canada, exported to the United Kingdom, comes largely from Quebec and Nova Scotia, the latter supplying most of the winter requirements. In the United Kingdom it is distributed largely through the ports of London, Cardiff, Liverpool and Glasgow.

Prices lately (June 1937) have been around $15.75 per long ton, but were as high as $25 per long ton in the winter of 1936-37, following the poor hay crop in the United Kingdom in 1936. The 1937 hay crop in the United Kingdom is described as unusually good. Imports are therefore liable to be considerably below the record set in 1935 and 1936.

Imports vary widely but reached a high point of 44,162 long tons in 1936 and were as low as 4,997 tons in 1932. Canada supplied 38,633 long tons in 1936 out of 44,162 tons imported and 3,861 long tons in 1932 out of 4,997 long tons imported. In percentages Canada supplied approximately 55 per cent of the imports of hay in 1934, 80 per cent in 1935 and 85 per cent in 1936.

Under ordinary circumstances the largest buyers in Great Britain are the cartage companies, collieries, breweries and other organizations in industry using horses to some degree. Farmers usually do not require to buy hay. Polo, racing, hunting and other stables are also purchasers; also the Imperial Army.

Domestic production in England and Wales approximates 6,500,000 long tons a year. It is therefore obvious that importations are a small factor in total requirements, being only $\frac{3}{4}$ of one per cent of the total in 1936.

Quality Requirements

The London buyers' ideal hay is rye grass with about 25-30 per cent of clover, both cut at their prime. From Canada timothy is the grass desired. While the Glasgow market refuses to take clover, the London market does like it and will take up to 25-30 per cent or even 50 per cent, the balance to be of good grasses. Weeds, daisies, sedges are always a cause of dissatisfaction.

Requirements of the War Office are decreasing with the mechanization of the Army. The purchasers give preference to home-grown supplies. If Canadian hay is offered it should conform to the standard of Group 1, timothy and clover hay, grades 1 and 2 as laid down in the Hay and Straw Inspection Act 1933 (Canada). Timothy containing more than 10 per cent of other grasses or of clover, will not be accepted. The hay should be well saved, good, strong, sweet, dry and clean. British contractors contract for all hay purchased for the Army and may be required to show their brokers' contract in any phase of the duration of the contract.

Grading of Hay

Great care on the part of the shipper is essential in sorting and classifying his hay for the United Kingdom import market. This factor is credited with causing more complaints and demands for allowances than any other. It has been suggested that the simplest method of discovering what an importer requires is to meet him personally and thresh out the problem in all its details. This has been done in a few cases and has brought highly satisfactory results. Such meetings are, of course, difficult to arrange and may not warrant the amount of trouble involved.

Canadian Grading

Canadian grades and standards are fairly well understood in the United Kingdom as is also the Canada Hay and Straw Inspection Act of 1933, but not with all its details. It does, however, afford a basis from which importers can work to advantage.

Useful information to the importer includes a statement of the district in which the hay is cut, for then the importer, working from Canadian grades, can specify the district or districts from which his supply should be arranged. Arrangements developed along this line are calculated to reduce dissatisfaction when carried on over a year or two.

Competition

Competition in this market is not particularly keen as the major part of Britain's requirements are home grown. Canada can produce, cure and ship hay of suitable quality from the Eastern provinces. Price seems to be the governing factor and it is doubtful if the trade could be expanded greatly.

Recommendations

1. As hay is a bulky and therefore rather costly product to handle, and at the same time usually a relatively low-priced product, it would appear that a greater net return might be obtained by feeding it at home.

2. A careful investigation should be made into the question of utilizing the hay as a food for live stock in the district in which it is grown.

3. Also some inquiry should be made into the question of possible alternative uses for the land upon which this hay for export is grown. It might develop that a different type of farming introduced into some of these districts would yield greater net returns.

ALFALFA MEAL

Requirements: Alfalfa meal is officially defined: "Alfalfa (Lucerne), as grown, dried and ground, to which no other matter has been added".

The usual trade requirements are that there shall be a minimum of 15 to 18 per cent protein value, not more than 25 per cent fibre and the colour shall be bright green, dark rather than light; in particular, a definite analysis of protein and fibre is required. In this connection the Canada Feeding Stuffs Act specifically mentions ground alfalfa straw as a foreign material which may not be admixed in the meal, and, while this regulation applies only to sales in Canada, it is usefully applicable to meal intended for the United Kingdom market.

Alfalfa meal is employed largely as poultry feed and is used in mixes for chicks as soon as they hatch. It is therefore necessary that it be very finely ground and screened.

The meal is imported in minimum lots of 25 or 50 long tons and is usually packed in bags of 1 cwt. (112 lb.). Payment is usually made on the basis of cash on arrival. No official statistics of importations are available, but the principal areas of supply are Canada, South Africa, and California.

CALIFORNIA ALFALFA MEAL

California can supply very fine qualities of alfalfa meal such as their No. 1, but the price for this grade is always considerably higher than current prices ruling for alfalfa meal. Therefore the quantity usually bought for this market is their No. 2 quality. The No. 1 is high in protein and low in fibre but the No. 2 contains a considerably higher percentage of fibre and is lower in protein.

The price asked in July, 1937, in London for No. 2 was around £7-0-0 per ton c.i.f., but as this has to compete with Canadian alfalfa meal, the value is not more than £5-10-0. It is true that the No. 1 quality has a much higher feeding value on account of its higher protein and lower fibre content and could be used as cheaply as the current grade imported, but the majority of buyers seem to consider the price rather than quality and therefore are content with the No. 2 grade.

SOUTH AFRICAN MEAL

This meal shows a better analysis than Canadian, namely, about 18 per cent protein against the Canadian 12 per cent, and 20 per cent fibre against the Canadian 25 per cent. The price has not been in line for this market to any extent for some years.

CANADIAN MEAL

Canada enjoys a good business in alfalfa meal and that business can be developed by catering closely to the requirements of the market. Difficulties occur from time to time because of lack of protein, heavy fibre content, bad colour, poor sifting and irregular quality. It cannot be emphasized too strongly that great care is needed in the selection of material, in grinding and sifting; finely-ground, well sifted meal of good colour will frequently command a price premium of 2/6 per ton to 5/- per ton.

If shipments throughout the season could be made as uniform as early season Ontario the consumption of Canadian meal would be much larger than at present. In practice, however, it is only the first few shipments that are satisfactory and the quality then deteriorates as the season progresses, until by December the colour is described as a dirty brown, and this renders the meal unsaleable. The grind also tends to become coarser.

Definite complaints are made that Canadian meal (1) lack 3 colour, (2) has too high a fibre content due to bad sifting, (3) changes quality from early to later shipments, and (4) lacks protein. One importer lists two customers who refused to continue taking Canadian meal. One used 300 tons a year, another 200 tons. A third was seriously thinking of changing over to English supplies because of bad colour and heavy fibre.

It is timely to mention that Canadian producers can with advantage continue inquiries into the feasibility of improving their product. More frequent cuttings while the alfalfa is tender offers a means of catering more closely to the requirements of the market by maintaining the high protein content and reducing fibre content to a minimum. Improvements are being effected in the production of alfalfa meal in the United Kingdom, but the output is still limited. Of increasing importance, however, grass itself is now being artificially-dried and ground into a very satisfactory meal. Sun-dried meal, whether grass or alfalfa, is not considered comparable in quality to the artificially dried product, particularly so far as carotene (Vitamin A) and chlorophyll content are concerned. The artificially-dried meal retains the vitamin content to a much greater extent. It is stated that English meal usually has a vitamin A content of 350 while Canadian has only 50 to 100.

As a general rule the price of alfalfa meal in the London market is fairly steady and a variation of 7/6 to 10/- per ton over the whole season may be taken as the maximum.

At present the Canadian alfalfa meal is produced in Ontario and Alberta, the former province shipping more consistently than the latter. As alfalfa can be grown in abundance in both provinces it is probable that transportation costs have a very decided bearing on this point.

Several "grass driers" were inspected in different parts of England and Scotland. They undoubtedly produce a high-class product, but in each instance were considered to be entirely too expensive to operate, requiring a heavy capital expenditure, high fuel costs, and were capable of turning out only a comparatively small output per hour. The profitable use of artificial grass driers will depend, in our opinion, almost solely on the cost of fuel.

Recommendations

1. The Canadian shipper must pay more attention to time of cutting and to proper curing so as to retain quality with bright green colour.

2. Grinding must be relatively fine and uniform.

3. More careful sifting must be done to ensure uniformity of sample.

4. Investigation should be made into the feasibility of using artificial driers. These might be advantageously used in irrigated alfalfa districts if natural gas could be used for fuel.

5. Transportation rates should be studied with a view to securing a proper export rate on the alfalfa meal destined for the British market.

CLOVER AND GRASS SEEDS

The United Kingdom is largely a pastoral country with only a limited amount of arable land. However, while grasses and clovers grow to perfection, it also means that meadows, when laid down to grass, remain for many years. Pastures were inspected that had not been broken for over 200 years.

It is therefore evident that the United Kingdom can never become a very large user of grass seeds. The North American continent which possesses, relatively, much more arable land and uses much shorter crop rotations will undoubtedly require more grass and clover seeds. The arable part of England, such as East Anglia, which practises a shorter rotation, uses the bulk of the seed imports.

Samples of the following varieties of clover and grass seeds have been obtained from seed merchants in London:—

Continental Alsike
American Alsike
American Timothy
Red Suckling
English Trefoil
English Sanfoin
Provence Lucerne
Hungarian Lucerne
Polish Red Clover
French Red Clover
English Red Clover
Hungarian Red Clover
English Wild White Clover
Polish White Clover
Irish Perennial Rye Grass
Irish Italian Rye Grass
Danish Italian Rye Grass

Alsike clover has proved to be the outstanding export clover from Canada.

About 33,750 bushels of this seed were exported from Canada to the United Kingdom in 1936. Canadian seed must compete on that market with both Continental and American-grown seed. The Central Europe seed is produced by rather cheap labour on small holdings, and is in the nature of a special product, which makes competition keen. These countries are steadily raising the standard of their seeds, so that now, in most instances, they are comparable to the Canadian standard.

Only comparatively small quantities of red clover seed are exported from Canada to the United Kingdom. In this product, Poland, France, and Hungary are the main growers, and here again the competition and price set a standard difficult to meet.

Some possibility would appear to offer for the production of English wild white clover in Canada, but further experimental work seems necessary. There is a definite demand for this seed from United Kingdom importers.

Apart from these seeds mentioned there does not appear to be much prospect at present for further markets except in a small way for Canadian clover and grass seeds in the United Kingdom. It is quite probable that the United States market offers greater possibilities.

The clover and grass seed business in the United Kingdom is largely in the hands of the organized seed trade. Most of the business is done between the Canadian seed houses and United Kingdom seed houses. The latter deal through their agents and brokers in London and Leith and are in constant communication with their Canadian connections.

Alfalfa is not grown to any extent in the United Kingdom. In recent years France and Hungary have sold large quantities of alfalfa seed to the U.S.S.R. (Russia). This market might be explored by getting in direct touch with Soviet authorities in Moscow, and by forwarding samples together with prices and quantities available. We feel, however, that for the immediate future the United States is likely to be a more attractive field for Canadian alfalfa seed.

CHAPTER XIV

FURS

Canada's principal outlet for furs is the United Kingdom. Our trade there has been developed over a long period of time, and our distribution channels are both friendly and efficient.

Furs in the United Kingdom are still somewhat of a luxury product, though the reduction in prices that has taken place in recent years has considerably broadened the market.

Silver and black fox furs are to-day the favourites. Their development has been one of the romances of the fur trade. From the standard of both style and economy they have great feminine appeal, as they can be worn with any colour combination and by either day or night. Increasing production has steadily lowered the price, and in the United Kingdom retail prices have now reached a level at which silver foxes are no longer confined to the rich. To illustrate this decline—in 1913 approximately 2,000 pelts were sold in the London market at an average price of about $300 each; to-day approximately 500,000 pelts are sold annually at an average price of $30-35. Silver fox capes consisting of as many as six or eight pelts, are commonly seen in retail stores, and complete silver fox coats are by no means unknown.

The following table, based on Canadian statistics, shows the number and value of pelts, by kinds, exported to the United Kingdom in 1934-36:—

EXPORTS OF CERTAIN FURS FROM CANADA TO THE UNITED KINGDOM

—		1934	1935	1936
Silver and black fox	No.	106,972	141,098	155,986
	$	4,273,716	5,047,550	5,216,126
Other fox	No.	116,270	140,364	94,501
	$	1,827,669	1,449,954	834,448
Mink	No.	90,499	82,113	51,845
	$	758,820	575,169	503,188
Muskrat	No.	1,345,352	858,257	787,283
	$	1,063,709	665,844	1,005,029

Silver fox furs alone represented 43 per cent of the value of all furs exported from Canada to the United Kingdom in 1934, 52 per cent in 1935, and 54 per cent in 1936. It should be noted that a good many red fox furs are dyed black and treated to simulate silver fox.

It is obvious that the Canadian fur trade in the United Kingdom is largely dependent upon the maintenance of silver fox prices, their continued popularity, and our ability to maintain quality and price, whatever competition may develop. We must also be conscious of our vulnerability to any style change—a factor over which we can have little control.

Canada's principal competition in the United Kingdom comes from Norway. Friendly trade experts say that Canadian silver fox quality has deteriorated, and that many buyers now regard Norwegian silver foxes as being, on the average, superior. A fair percentage of Canadian silver foxes are developing a brownish tone, together with some coarseness. We believe that this change is serious, and that it warrants immediate investigation, not only in Canada, but perhaps in Norway as well.

Practically all Canadian furs lose their identity when they go into manufacturing establishments. Investigations in retail stores satisfy us that few dealers know the country of origin of the furs they sell, although some will say, "This is Canadian (or Norwegian)."

In spite of some effort no way has been found to tag Canadian furs so that the retail purchasers can be sure of getting a genuine Canadian product.

We believe that further effort should be made to tag or mark Canadian skins. In spite of what some experts say about deterioration in Canadian quality, there is still a romance about Canada as a producer of the highest quality furs.

The adoption of the merchandising plan outlined in the Marketing Policy would be of the greatest value for furs. Backed by advertising in leading publications, it would do more than anything else to protect Canada's high-grade products during the coming years, when the tendency will probably be to increased production and lower prices.

Although the Canadian origin of silver fox pelts has a distinct selling value to the original buyer or manufacturer and has a bearing on the price paid for the top quality skins at the auctions, nevertheless it is reported that many inferior pelts of unknown origin are merchandised as Canadian. If some method of permanent identification were evolved and used on the higher grades such as "half" and "three-quarter-silvers" it would then be possible for the ultimate purchaser to demand and get a genuine Canadian skin. This would provide the opportunity for assisting the sale of Canadian silver fox furs and would make it possible to undertake effective sales promotional work.

Canadian mink has been considered the best in the world. We have heard some reports, however, that owing to unclean conditions manufacturers are able to use only a portion of the pelt. The bellies turn to yellow and light brown tones, making them unsuitable for really good garments, for which regularity of colour is of paramount importance.

APPENDIX

STATISTICAL TABLES

VALUE OF IMPORTS OF FOOD, DRINK AND TOBACCO INTO THE UNITED KINGDOM, 1927–1936

Calendar years	British Countries	Foreign Countries	Total
	£	£	£
1927	201,436,067	336,928,204	538,364,271
1928	200,931,141	329,842,553	530,773,694
1929	189,925,922	345,414,356	535,340,278
1930	178,093,334	296,896,220	474,989,554
1931	157,181,928	259,447,398	416,629,326
1932	160,183,985	212,696,309	372,880,294
1933	152,885,277	186,948,292	339,833,569
1934	155,411,583	191,176,898	346,588,481
1935	162,967,733	192,151,781	355,119,514
1936	....	....	382,730,461

ANIMALS IMPORTED INTO UNITED KINGDOM FOR FOOD—CATTLE ALL KINDS (SUMMARY)

Totals	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	7,669	405	....	5,193	26,991	16,724	51,443	51,373	6,478	37,759
Irish Free State	629,001	724,372	749,570	834,962	738,967	625,887	582,174	458,164	592,644	657,301
Other British	198	139	692	404	565	....	....	....	....	....
U.S.A.	....	....	....	....	....	....	....	....	....	....
Grand total	636,868	724,916	750,262	840,559	766,523	642,611	633,617	509,537	599,122	695,060

ANIMALS, LIVING, FOR FOOD, IMPORTED INTO UNITED KINGDOM (Number of Head)

—	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
Bulls and Bullocks, Fat for Food—										
CANADA	3,752	....	....	477	1,996	911	637	3,077	910	
Irish Free State	234,792	257,309	246,465	240,116	227,290	180,058	88,416	84,331	108,758	
Other British	198	139	692	404	565	....	....	....	....	
U.S.A.	....	....	....	....	....	....	....	....	....	
Total	238,742	257,448	247,157	240,997	229,851	180,969	89,053	87,338	109,668	
Bulls and Bullocks, Other, for Food—										
CANADA	3,278	405	....	4,623	22,924	14,804	46,028	41,569	4,362	
Irish Free State	153,810	170,296	173,121	196,091	172,277	165,975	254,899	242,502	296,792	
Total	157,008	170,701	173,121	200,714	195,201	180,779	300,927	284,071	301,154	
Cows, including Heifers, Fat for Food—										
CANADA	639	....	....	93	1,916	1,009	4	524	47	
Irish Free State	92,357	117,013	131,232	132,387	107,438	82,806	22,931	15,564	16,250	
Other British	....	1	....	2	....	....	....	....	....	
U.S.A.	....	....	....	....	....	....	....	....	....	
Total	92,996	117,014	131,232	132,482	109,354	83,815	22,935	16,088	16,297	
Other, for Food—										
CANADA	....	....	....	....	155	....	4,693	6,082	1,110	
Irish Free State	109,574	125,416	137,476	175,899	155,146	118,164	144,298	93,265	155,940	
Total	109,574	125,416	137,476	175,899	155,301	118,164	148,991	99,347	157,050	
Calves—										
CANADA	....	....	....	....	....	....	71	191	49	
Irish Free State	38,468	54,338	61,276	90,469	76,816	78,884	71,630	22,693	14,953	
Total	38,468	54,338	61,276	90,469	76,816	78,884	71,701	22,884	15,002	

In the investigation full use was made of the Reports and Publications of the Imperial Economic Committee, the Ministry of Agriculture and Fisheries (Eng.), the Board of Trade (Eng.), and the Commercial Intelligence Journal and Bureau of Statistics reports of the Department of Trade and Commerce.

IMPORTS OF GELDINGS INTO THE UNITED KINGDOM, 1927-1936

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	....	....	....	....	14	1	3	100	191	275
Irish Free State	7,140	6,156	6,277	5,987	6,348	5,004	2,782	4,799	4,973	5,381
British India	47	3	6	10	6	29	19	3	30	13
Other British	7	30	9	37	9	6	19	19	28	35
Total British	7,194	6,189	6,292	6,034	6,377	5,040	2,823	4,921	5,222	5,704
Iceland	578	429	309	179	266	344	95	343	170	185
Denmark	....	....	....	....	2	65	196	27	40	19
Poland	1,082	484	375	422	268	116	302	226	713	540
Germany	55	210	500	262	190	48	44	20	29	33
Netherlands	291	275	233	175	129	106	155	86	131	410
Belgium	41	93	64	47	87	141	45	120	2,547	2,622
France	24	3	56	91	101	61	55	96	90	63
U.S.A.	92	48	73	108	48	32	28	197	60	104
Argentina	66	46	62	44	33	17	94	59	149	140
Other Foreign	82	16	10	44	156	24	47	93	60	*844
Total Foreign	2,311	1,604	1,682	1,372	1,280	954	1,061	1,267	3,989	4,960
Total	9,505	7,793	7,974	7,406	7,657	5,994	3,884	6,188	9,211	10,664

*Includes 770 from Lithuania.

IMPORTS OF DRESSED POULTRY INTO THE UNITED KINGDOM

(In cwts. '000 omitted)

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	0·4	1·6	0·9	0·5	0·5	12·0	10·8	16·0	21·6	21·7
Irish Free State	112·3	106·3	126·8	115·6	109·3	104·3	102·6	138·5	105·1	104·2
Soviet Union	22·4	61·1	121·8	126·3	181·3	116·5	43·5	9·6	14·0	17·5
Poland	....	....	....	....	6·8	14·3	18·5	28·2	18·3	30·8
Netherlands	19·5	24·0	30·7	43·9	49·7	25·1	24·9	10·1	7·2	7·7
Hungary	33·8	40·9	44·4	85·6	118·2	105·8	171·2	128·0	119·3	105·3
Other Countries	317·3	256·3	229·5	198·0	199·6	135·9	128·9	121·8	137·0	134·9
Total	505·7	490·2	554·1	569·9	665·4	513·9	500·4	452·2	422·5	422·1

IMPORTS OF CHICKENS AND TURKEYS (DEAD) INTO THE UNITED KINGDOM

('000 cwts. of 112 lbs.)

From	Chickens				Turkeys			
	1933	1934	1935	1936	1933	1934	1935	1936
CANADA	1	8	14	12	9	7	5	8
Irish Free State	37	59	48	52	58	67	42	45
Australia	2	....	1	1	1	2	6	4
Hungary	53	29	46	43	106	85	55	47
Russia	40	9	13	18	....	....	....	....
Yugoslavia	7	1	3	8	31	55	68	57
Netherlands	22	10	7	7	....	....	....	1
Poland	13	25	14	24	4	2	4	7
France	....	....	....	....	8	1	2	6
Germany	7	1	....	....	1	....	....	....
Norway	5	....	....	....	....	....	....	....
Austria	2	1	....	....	3	2	2	....
Italy	1	....	....	....	3	2	2	2
Lithuania	....	....	1	1	3	2	4	7
Denmark	1	....	....	2	2	2	3	3
Roumania	2	1	2	1	....	1	1	....
U.S.A.	4	1	....	....	....	....	....	....
Argentina	....	....	....	1	19	21	15	15
Uruguay	1	....	1	....	6	8	7	11
China	....	....	....	....	....	....	....	....
Bulgaria	....	....	....	....	....	3	2	3
Other Foreign	1	....	1	1	1	1	1	....
Total Empire	40	67	63	65	68	76	53	57
Total Foreign	159	78	88	106	187	185	166	159
Total	199	145	151	171	255	261	219	216

NOTE.—Figures include fowls and old hens.

IMPORTS OF EGGS IN SHELL TO THE UNITED KINGDOM

(In Great Hundreds—'000 omitted)

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	42·0	83·3	79·1	15·0	46·4	5·4	182·8	177·0	98·3	103·3
Irish Free State	5,051·5	5,177·3	5,015·0	4,781·0	4,575·1	3,948·3	3,437·0	3,194·3	2,394·9	2,563·2
Australia	122·1	266·9	375·1	554·6	918·2	1,515·5	1,899·3	2,098·9	1,921·1	1,634·9
Denmark	5,679·6	5,329·6	5,572·6	6,728·3	7,548·3	6,392·3	6,233·6	6,383·2	6,564·0	7,987·3
Poland	3,387·9	2,561·9	2,384·7	3,612·5	2,687·0	1,874·3	1,680·8	1,941·8	2,014·8	2,563·7
Netherlands	2,359·8	2,725·2	3,169·3	3,680·6	3,839·2	1,402·9	1,002·8	944·1	2,677·9	3,799·5
Belgium	2,141·3	2,907·9	2,961·6	2,333·6	2,072·9	1,583·7	449·4	49·0	256·1	539·9
Other Countries	5,556·1	7,414·3	5,406·9	4,835·6	4,237·8	3,272·2	3,486·9	3,945·9	3,839·7	5,461·4
Total	24,340·3	26,466·4	24,964·3	26,541·2	25,925·2	19,994·6	18,372·6	18,734·2	19,766·8	24,653·2

NOTE.—Roumania more than doubled her exports between 1935 and 1936.

IMPORTS OF HAMS INTO THE UNITED KINGDOM

('000 cwts. of 112 lbs.)

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	133·7	115·3	98·2	84·0	72·5	142·9	179·7	180·7	190·9	277·7
Irish Free State	12·3	17·4	15·4	15·3	17·2	14·7	20·2	13·1	20·2	22·5
Australia	...	0·7	...	4·9	0·6	...	...	...	...	...
Other Empire	0·5	...	0·1	0·1	0·1	...	...	...	...	0·2
Poland	7·2	15·9	28·4	42·8	102·2	117·4	74·1	33·1	21·9	12·4
Denmark	2·6	1·9	1·3	2·9	2·6	6·4	0·3	...	0·1	0·1
Belgium	2·8	0·3	0·5	1·0	0·1	...	...	...	...	...
Netherlands	...	0·3	0·8	1·4	0·8	1·5	...	0·1	0·3	0·2
Germany	...	0·2	0·3	0·5	2·2	0·4	...	...	...	...
U.S.A.	716·1	759·8	841·7	820·4	600·6	465·3	564·0	477·5	419·1	322·8
Argentina	9·7	27·6	39·8	25·5	28·6	49·6	29·8	21·0	20·1	24·4
Brazil	...	...	0·3	2·5	3·0	1·4	...	2·2	3·5	0·8
Other Foreign	2·1	2·6	2·0	1·7	0·6	1·7	0·4	0·6	0·7	0·4
Total Empire	146·7	133·4	113·7	104·3	90·4	157·6	199·9	193·8	211·1	300·4
Total Foreign	742·0	808·6	915·1	898·7	740·7	643·7	668·6	534·5	465·7	371·2
Total	888·7	942·0	1,028·8	1,003·0	831·1	801·3	868·5	728·3	676·8	671·6

IMPORTS OF BACON INTO THE UNITED KINGDOM

('000 cwts. of 112 lbs.)

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	503	307	199	99	50	182	506	894	918	1,092·4
Irish Free State	451	555	497	331	297	200	205	368	458	505·1
Australia	...	1	...	2	1	1	...	...	...	0·4
Other Empire	1	...	...	1	...	1	...	1	1	...
Denmark	5,091	5,376	4,977	6,118	7,339	7,670	5,524	4,288	3,826	3,373·4
Netherlands	797	1,061	902	842	1,000	976	872	608	509	484·7
Poland	117	118	305	483	1,077	1,135	784	463	430	408·4
Lithuania	...	2	5	73	362	512	416	252	165	193·5
Sweden	474	441	380	550	577	424	403	297	257	241·6
Estonia	50	41	25	25	64	82	63	51	46	43·1
Finland	...	...	...	5	35	38	51	24	22	20·9
Latvia	164	145	67	47	31	19	46	43	33	36·3
Russia	114	197	209	50	29	42	45	49	47	41·7
Germany	24	21	5	17	29	2	27	51	...	...
Norway	...	...	...	1	...	...	26	25	20	11·4
Belgium	...	...	7	2	...	...	5	22	13	9·8
Brazil	...	...	...	3	1	3	3	13	21	5·9
Hungary	...	...	6	24	1	...	2	21	21	11·8
U.S.A.	641	538	635	479	189	64	63	39	20	16·9
Argentina	51	49	58	38	50	39	43	27	28	26·5
Other Foreign	4	1	1	1	2	1	1	72	91	66·0
Total Empire	956	863	696	433	348	384	711	1,263	1,377	1,597·9
Total Foreign	7,526	7,990	7,582	8,758	10,786	11,007	8,374	6,335	5,549	4,971·9
Total	8,482	8,853	8,278	9,191	11,134	11,391	9,085	7,598	6,926	6,569·6

Figures from Imperial Economic Committee Reports.

IMPORTS OF CHEESE INTO THE UNITED KINGDOM

('000 cwts. of 112 lbs.)

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	844	920	723	678	707	747	630	520	469	602·5
New Zealand	1,612	1,554	1,801	1,961	1,733	1,849	2,059	2,092	1,763	1,681·1
Australia	35	74	50	48	68	74	93	115	134	91·0
South Africa, etc	....	....	....	16	15	17	13	3	22	12·4
Irish Free State	2	2	2	2	2	2	1	5	9	17·4
Other Empire	1	....	....	....	....	....	....	....	....	0·8
Netherlands	228	228	196	183	168	170	122	128	199	181·5
Italy	141	141	132	145	132	106	90	94	80	14·0
Switzerland	28	34	40	38	32	14	14	14	15	17·0
France	20	28	26	27	12	9	7	7	8	23·2
Denmark	9	9	6	7	5	6	6	6	10	29·1
Finland	2	2	2	1	3	3	2	2	2	1·5
Belgium	3	2	4	1	2	1	1	....	....	0·7
Germany	....	2	3	1	1	1	....	....	....	....
Norway	....	....	....	....	1	2	1	2	1	1·2
U.S.A.	17	5	7	4	4	....	....	....	....	0·5
Other Foreign	2	4	2	....	1	2	1	1	1	1·9
Total Empire	2,495	2,550	2,576	2,705	2,525	2,689	2,796	2,735	2,397	2,405·1
Total Foreign	454	455	418	407	361	314	244	254	316	270·6
Total	2,949	3,005	2,994	3,112	2,886	3,003	3,040	2,989	2,713	2,675·7

IMPORTS OF CANNED APPLES INTO THE UNITED KINGDOM

(in cwts. of 112 lbs.)

From	1934	1935	1936
British Countries	125	110	*27
U.S.A.	28,260	30,292	47,809
Other Foreign Countries	2	....	....
Total	28,387	30,402	47,836

*Canada supplied 21 cwts. in 1936.
Preserved apples not shown separately prior to 1934.

IMPORTS OF CANNED TOMATOES INTO THE UNITED KINGDOM

(In cwts. of 112 lbs.)

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	**1936
CANADA	....	....	....	....	5,966	12,388	22,315	46,791	150,277	134,307
Channel Islands	....	....	....	....	....	....	....	4,200	4,171	7,657
Other British	....	....	....	....	68	123	2,622	1,236	707	7,657
Total British	931	2,088	2,045	4,386	6,034	12,511	24,937	52,227	155,155	141,964
Spain	99,374	121,171	134,220	132,123	178,895	309,027	258,291	229,737	307,753	156,090
Italy	466,233	453,820	551,617	433,727	535,900	467,132	388,914	393,878	430,917	166,130
France	41,393	45,056	49,212	49,194	44,454	29,298	14,349	12,271	11,790	10,177
Hungary	....	....	....	....	....	....	....	30,845	36,208	33,618
Soviet Union	....	....	....	....	7,216	11,052	21,822	25,102	5,455	....
Germany	....	....	....	....	9,327	1,541	3,293	880	1,961	129
U.S.A.	9,103	21,378	9,061	13,621	12,552	10,993	13,940	3,013	2,687	4,512
Portugal	4,853	3,055	4,095	3,936	....	....	....	....	....	....
Other Foreign	1,858	2,711	11,674	9,688	6,263	15,314	19,752	2,333	2,823	*23,395
Total Foreign	622,814	647,191	759,879	632,289	794,607	844,357	720,361	698,059	799,594	394,051
Total	623,745	649,279	761,924	646,675	800,641	856,868	745,298	750,286	954,749	536,015

*Argentina supplied 15,714 cwts. in 1936. Other foreign countries contributed to make up for 1936 total, including Czecho-slovakia, Portugal, Austria, Bulgaria and Morocco in the order of importance.
**1936 figures are not necessarily final.
NOTE.—Canned tomatoes not classified separately prior to 1927.

IMPORTS OF CANNED PEAS INTO THE UNITED KINGDOM

(in cwts. of 112 lbs.)

From	1931	1932	1933	1934	1935	1936
Total British Countries	211	234	457	110	218	245
Belgium	19,958	12,285	14,342	10,092	10,620	13,536
Italy	4,672	1,035	393	....	....	....
Other Foreign Countries	1,848	1,343	478	534	1,285	633
Total Foreign Countries	26,478	14,663	15,213	10,626	11,905	14,169
Total	26,689	14,897	15,670	10,736	12,123	14,414

IMPORTS OF CANNED PEARS INTO THE UNITED KINGDOM

(in cwts. of 112 lbs.)

From	1931	1932	1933	1934	1935	1936
CANADA	13,196	33,214	51,961	73,007	82,577	56,676
South Africa	604	11,609	15,680	8,345	15,333	20,932
Australia	52,919	100,817	102,884	142,632	131,675	137,271
New Zealand	....	128	4,730	....	....	1
Other British Countries	457	333	1,177	....	60	5
Total British Countries	67,176	146,101	176,432	223,984	229,645	214,885
U.S.A.	674,219	596,907	542,473	544,759	624,044	580,915
Other Foreign Countries	1,177	2,129	3,132	798	285	1,401
Total Foreign	675,396	599,036	545,605	545,557	624,329	582,316
Total	742,572	745,137	722,037	769,541	853,974	797,201

NOTE.—Canned pears not separately catalogued prior to 1930 in which year Canada supplied 14,431 cwts.

IMPORTS OF CANNED PEACHES INTO THE UNITED KINGDOM

(in cwts. of 112 lbs.)

From	1931	1932	1933	1934	1935	1936
CANADA	....	....	....	2,484	7,790	11,185
Australia	122,039	88,035	124,420	267,723	248,383	171,435
Other British Countries	1,867	2,153	2,937	260	261	82
Total British Countries	123,906	90,188	127,357	270,467	256,434	182,702
U.S.A.	606,812	653,512	535,699	491,165	628,064	601,589
Chile	629	10,513	13,529	3,725	....	13,496
Other Foreign Countries	1,214	2,186	3,020	1,118	3,838	2,372
Total Foreign Countries	608,655	666,211	552,248	496,008	631,902	617,457
Total	732,561	756,399	679,605	766,475	888,336	800,159

NOTE.—Canned peaches not separately catalogued prior to 1930.

IMPORTS OF CANNED CURRANTS, GOOSEBERRIES, LOGANBERRIES, RASPBERRIES AND STRAWBERRIES INTO THE UNITED KINGDOM

(in cwts. of 112 lbs.)

From	1931	1932	1933	1934	1935	1936
CANADA	2,885	5,002	11,413	21,776	7,560	9,069
Australia	3,292	4,036	7,965	4,803	2,632	3,441
Other British	26	247	778	1	6	487
Total British	6,203	9,285	20,156	26,580	10,198	12,997
Netherlands	1,765	4,332	2,924	1,087	3,235	3,821
U.S.A.	58,109	40,482	36,747	31,264	43,995	34,875
Other Foreign	3,575	5,122	737	669	1,469	1,508
Total Foreign	63,449	49,936	40,408	33,020	48,699	40,204
Total	69,652	59,221	60,564	59,600	58,897	53,201

NOTE.—Earlier figures not available.

IMPORTS OF CANNED CHERRIES (STONED) INTO THE UNITED KINGDOM

(in cwts. of 112 lbs.)

From	1934	1935	1936
Total from British Countries (CANADA)	728	1,700	*5,948
France	612	459	299
Italy	1,405	196	102
U.S.A.	1,348	1,245	683
Other Foreign Countries	301	14	17
Total Foreign	3,666	1,914	1,101
Total	4,394	3,614	7,049

*One cwt. only from Australia.
NOTE.—Canned cherry imports not shown separately prior to 1934.

IMPORTS OF FRESH APPLES INTO THE UNITED KINGDOM

(,000 cwts. of 112 lbs.)

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	1,185	1,247	1,707	2,086	1,769	1,612	3,374	2,489	2,764	1,960
U.S.A.	3,825	2,955	3,089	2,235	3,534	3,128	1,365	1,300	2,304	1,564
Australia	557	1,442	352	1,351	1,033	1,685	1,969	1,526	1,528	1,636
Other Countries	594	445	610	500	1,263	1,666	742	577	646	482
Total	6,161	6,089	5,758	6,172	7,599	8,091	7,450	5,892	7,242	5,642

IMPORTS OF HONEY INTO THE UNITED KINGDOM, 1927-36

(In cwts. of 112 lbs.)

From	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
CANADA	6,487	3,161	9,438	11,819	17,155	19,648	19,034	15,489	15,122	20,494
Australia	4,835	1,626	535	684	1,664	1,368	4,149	2,609	2,400	12,274
New Zealand	7,821	20,871	21,600	1,171	5,020	1,845	6,710	5,710	9,957	6,386
British West Indies	15,948	9,065	15,866	15,900	16,662	18,918	13,554	14,157	17,893	16,286
Other British	717	473	409	2,522	366	204	185	99	274	210
Total British	35,808	35,196	47,848	32,096	40,867	41,983	43,632	38,064	45,646	55,650
Soviet Union	8,032	6,467	5,218	2,742	5,919	2,156	10,325	961	261	....
U.S.A.	21,215	18,755	23,404	15,311	16,956	9,544	11,146	11,977	6,006	5,588
Cuba	8,021	1,170	200	1,700	3,184	4,806	1,185	2,488	1,313	90
St. Domingo	2,686	1,520	2,771	1,750	980	768	948	3,253	1,280	3,074
Chile	5,272	2,569	6,525	6,325	3,922	15,432	4,308	4,087	2,331	1,946
Other Foreign	3,381	5,281	11,094	7,073	6,400	5,737	8,215	4,512	7,102	7,485
Total Foreign	48,607	35,762	49,212	34,901	37,361	38,443	36,127	27,278	18,293	18,183
Total Imports	84,415	70,958	97,060	66,997	78,228	80,426	79,759	65,342	63,939	73,833
Re-exported	11,392	13,303	5,568	2,374	6,204	5,396	2,252	6,531	3,272	
Retained imports	73,023	57,655	91,492	64,623	72,024	75,030	77,507	58,811	60,667	

IMPORTS OF HAY INTO THE UNITED KINGDOM, 1931-1936

(in tons of 2,240 lbs.)

From	1931	1932	1933	1934	1935	1936
CANADA	8,317	3,861	7,270	13,053	20,051	38,633
Irish Free State	1,033	514	822	1,041	1,126	889
Other British Countries	40	....	....	59	46	126
Total British Countries	9,390	4,375	8,092	14,153	21,223	39,648
Norway	1,250	414	....	9,555	12,095	3,968
Other Foreign Countries	....	208	....	106	381	546
Total Foreign Countries	1,250	622	....	9,661	12,476	4,514
Total	10,640	4,997	8,092	23,814	33,699	44,162